

Also, the Chunghwa Picture Tubes' participants expressed their dissatisfaction that the company had incurred damages due to the Korean CRT manufacturers' failure to increase the prices in Korea as agreed, urging the Korean companies to increase their prices in the Korean market. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

Therefore, they (SDD) continued to request CPT to support the price agreements and disclosed that they were willing to understand CPT's position and to help CPT.

In order to compete, Orion offered lower prices than contract prices and as a result took away substantial orders from CPT. ... LG also took away orders by frequently offering lower prices than the contract prices. HEDS' expected 14" CDT production situation is unclear.

SDD's President Sohn proposed to have another meeting and invited the people who were related to the future discussions. (Evidence Sogap 3-34)

The local 14"/15" CDT prices in Korea could not increase simultaneously, only causing the Taiwanese manufacturers to lose their competitiveness further. (Evidence Sogap 3-34)

The two-party meeting on July 8, 1997

80 The defendants agreed to refrain from competing with each other regarding the 14" CDT price and quantity, to maintain the price difference between major customers and small-scale customers, and to check with the other company when customers would propose low prices. Regarding the 15" CDT, Chunghwa Picture Tubes informed Samsung Electronic Tube that its sales price was not different from the sales prices of Samsung Electronic Tube, Philips, and LG Electronics in contrast to the previous agreement, and the two companies agreed to adjust the price to in line with the price of Samsung Electronic Tube. Samsung SDD's Mr. Ha and Chunghwa Picture Tube's Ching-wien Du and Ling-Yoon Cheng participated in this meeting. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."

President Ha said that the current SDD price for 14" follows the price of CPT entirely. He agreed that there was no reason for CPT and SDD to compete on price for the 14" CDT. That is because competition between the two companies would just cause damages to the companies without increasing orders/market share.

In response to CPT's proposal to maintain the price at USD 62.00/pc (MPRII), President Ha expressed his intention to cooperate. Also, he agreed that a price difference between major customers and small customers was needed.

Samsung agreed to take similar measures on prices, so we should follow suit. Also, if we have any suspicions about each other's prices, we should check each other to prevent the customers from cheating us. (Evidence Sogap 3-35)

CPT explained to Mr. Ha again that there was no difference between the current CPT's 15" price and the prices of SDD/PH/LG. (USD 1~2.00/pc)

In addition, CPT will adjust the price within 1 to 2 months to match the SDD price.

(Evidence Sogap 3-35)

The two-party meeting on July 18

81 During this meeting, the two companies confirmed whether the rumors surrounding the prices of the 14" and 15" CDT's were true and agreed on the new sales prices. First, in regard to the 14" CDT, Samsung SDD's Mr. Ha proposed to lead the market price jointly with Chunghwa Picture Tubes. Then, the two companies agreed on the prices to be applied to other customers. In addition, the two companies agreed to transmit the agreements to the respective overseas subsidiary companies.

**Mr. Ha agreed that the market prices of the 14" CDT could be jointly led by CPT/SDD.**

Both sides agreed to set the **14" CDT prices** as follows:

Major customers: Brand P / Brand A / Brand I: 60.00/pc. Others: 62~64.00/pc

Director Liu mentioned about CPT's sincerity in maintaining the current prices and requested **today's conclusions to the headquarters/Malaysia factory/Hong Kong subsidiary** so that they could follow the conclusions.

(Evidence Sogap 3-36)

82 In addition, regarding the 15" CDT, the two companies compared the prices differences that occurred according to product specifications based on the standard specification (64KHZ/MRPII) to ensure that the agreed-upon prices would be applied. Furthermore, the two companies agreed to cooperate with Philips to set the minimum price at 90 dollars.

Both sides clearly stated again that the **price differences for the various tube types** were as follows:

Base: 64KHZ/MRPII

	CPT	SDD
No ASC	-2.00	-2.00
No coil	-2.50	-2.00
48KHZ	-2.00	-2.00
Glare <sup>7</sup>	-2.00	-2.00
Total	-8.50	-8.00

As long as SDD/PH/CPT cooperate, the minimum 15" CDT price could be maintained at USD 90.00/pc.

CPT will contact PH again to cooperate in such efforts.

(Evidence Sogap 3-36)

83 The purpose of this meeting was to agree on the prices and production volumes of the 14" and 15" CDT's. Mr. Ha and 2 other people from Samsung Electronic Tube and Chi-Chun Liu and Ching-Wien of Chunghwa Picture Tubes participated. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."

<sup>25</sup> "Due to the fact that people watch computer monitors more closely than TV monitors, the specifications on the effects on the body are more detailed. The monitors without any liquid applied on the glass are referred as glare monitors. Those monitors with the coating on the glass are referred to as non-glare monitors. The CDT monitors with the coated glass are high-end monitors." (Evidence Sogap 2-1 answer 6)

The two-party meeting on August 1, 1997

84 In this meeting, the two companies exchanged information on factory production volumes and sales data for each customer. In addition, the companies agreed to keep the cartel meetings confidential. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."

We have to continue to maintain contact points to exchange information. However, except to respond carefully to deal with excessive competition, we should exchange information only orally and should never provide any written information. (Evidence Sogap 3-37)

The two-party meeting on August 18, 1997

85 The two companies exchanged the production data and production line conversion plans of the factories located across the globe and checked whether the previous agreements had been implemented. Specifically, the participants checked whether the other company's sales price information obtained from the market or customers was correct. Regarding the sales prices of the products to Samsung Electronics, Samsung Electronic Tube confirmed that the prices offered to Samsung Electronics were about 2 to 3% lower than the market prices. The meeting participants were Mr. Ra and 3 others from Samsung Electronic Tube and Chieng-wien Lin and 2 others from Chunghwa Picture Tubes. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."

When CPT asserted that the current 14"/15" CDT prices of SDD are 58.00/pc and USD 84.00/pc respectively based on reliable evidences obtained from customers, Mr. Ra responded that his company's lowest 14" CDT price was USD 59.00/pc. CPT pointed out that when Director Liu had visited SDD in July, Mr. Ha had promised to staunchly defend the minimum price of USD 60.00/pc. He continued that even if it was necessary to adjust the lower price due to the changes in the market situation, SDD had to notify CPT about that for CPT to review the price.

In regard to the fact that the 15" CDT price is USD 84.00/pc, Mr. Ha strongly denied that his company had never offered such a price. Mr. Ha said that that price was only the price demanded by Light-on and further stated that SDD had not acquiesced to the company's demand. (Evidence Sogap 3-38)

President Lin requested Mr. Ra to provide him with the **prices used for internal transactions**. However, Mr. Ra just said that the prices are **about 2 to 3% lower** than the market prices.

(Evidence Sogap 3-38)

The multi-party meeting on October 9, 1997

86 In order to find out whether the excess supply of specific CDT products exerted any downward pressure on the prices, the defendants exchanged information on the production volume of each of the production lines located across the globe and information on the line conversion plans.

Also, the participants agreed to differentiate between major customers and small-scale customers in terms of price and confirmed that there would be no additional price decreases per the decision of the top management. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

The minimum 14" price is USD 58.00/pc. If possible, the price should be increased to about USD 1-2/pc. However, the price increase should be determined based on the price difference with the 15" CDT. Mr. Lin of PH said that although their minimum 14"/15" CDT prices are USD 57.00/79.00, **the top management had already decided not to decrease the 14"/15" CDT prices further.** Also, he said that the 14" CDT price would be adjusted to at least USD 58.00/pc.

For the 3 manufacturers, the minimum 15" prices are USD 78-80/pc. SDD asserted that it wants to maintain the minimum price at USD 80.00/pc. ... Also, they will not decrease the price further.

17" CDT sales prices: The minimum PH price is USD 170.00/pc and the minimum SDD price is USD 175.00/pc.

(Evidence Sogap 3-39)

The two-party meeting on October 20, 1997

87 This meeting was a two-party meeting in which the CEO from each company participated. During the meeting, the two companies agreed on the principles of refraining from competition through more close cooperation to prevent price decreases and controlling the production level to maximize profit. In order to carry out the above principles, the two companies agreed at the working level to work closely, including notifying to customers uniformly. In order to refrain from price competition in the 14" and 15" CDT product categories and to reach price agreements, CEO Sohn, Mr. Kim, Mr. Ha, and others from Samsung Electronic Tube and CEO Chieng-wien Lin, Chi-Chun Liu, Shen-jen Yang, and Ching-wien Du from Chunghwa Picture Tubes participated. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."

President Lin emphasized that it was a good opportunity for all the companies to stop decreasing their prices.

The CDT manufacturers need to send the message to product suppliers and monitor manufacturers that the CDT manufacturers do not have the ability to decrease the prices any longer and that in order to stabilize the price level the CDT manufacturers will not decrease the prices next year.

It is more advisable to all the companies to cooperate to control the production volume rather than decreasing our prices and engaging in cut-throat competition. In order to pursue more healthy had profitable business, we have to maintain the prices.

In order to strengthen communication, the companies should visit other companies more frequently.

Thanks to President Lin's extensive explanations about the fact that there is no way to increase customer demand by engaging in price competition and about the fact that it would be more profitable for both companies to cooperate, CEO Sohn of SDD agreed on the spot to strongly defend the price floor. Also, he asked everyone to communicate more and to cooperate wholeheartedly.

(Evidence sogap 3-40)

The multi-party meeting on October 30, 1997

88 Chunghwa Picture Tubes invited Samsung Electronic Tube and Philips in order to jointly check Hitachi, which was decreasing product prices, and to carry out the price agreements effectively. Specifically, the defendants agreed to adjust prices before offering estimates to customers and reconfirmed their intention to maintain the minimum price of 58 dollars for the 14" CDT and the minimum price of 75 dollars for the 15" CDT, which had been agreed in the previous meeting. The meeting participants were Mr. Ha and Mr. Lee from Samsung Electronic Tube and Chi-Chun Liu, Shen-jen Yang, and Ching-Wien of Chunghwa Picture Tubes. This can be confirmed by Chunghwa Picture Tube's "Customer Contact Report."

**In order to strengthen mutual trust to "maintain the prices" and to understand other companies' thoughts and methods, CPT invited PH/SDD to the meeting held at SDD Taipei.**

CPT requested SDD to review prices with CPT and use CPT to price as the reference price before offering any prices to small and medium customers. (Evidence Sogap 3-41)

SDD believes that in order to ensure the current **minimum 14" CDT price**, the price of the 15" MPRII should not drop below **USD 75.00/pc.**

They maintain the minimum (14") price of **USD 58.00/pc.** (Evidence Sogap 3-41)

The multi-party meeting on November 21, 1997

89 This meeting was held in order for the companies to confirm the market rumors and then to agree on the next month sales prices and to jointly notify the customers that the prices would increase due to the supply shortage. First, the defendants contacted frequently amongst themselves to agree to check the sales prices in advance. Then, they agreed to maintain the price of the 14" CDT at 58 dollars, further agreeing to notify the customers of supply shortages. According to the data that shows the CDT manufacturers' production plans, although 24 production lines were planned to be operated, the companies agreed to prevent the sales prices from falling by notifying the customers that only 21.5 lines were in operation.

Regarding the rumor surrounding the current price decisions, **the participants agreed to contact frequently and to check all areas to make sure to prevent being cheated by the customers.**  
**All the manufacturers agreed to maintain the 14" price at 58.00 dollars/unit.**

(Evidence Sogap 3-43)

CPT: 5 lines (Should be 5.5 lines).	SDD: 4 lines
PH: 2 lines (Should be 3 lines)	Orion: 1 line
LG: 2 lines (There is 0.5 line at US Zenith and will operate a line in July of '98 in Great Britain.)	
HEDS: 2 lines	Toshiba: 2 lines      MEC: 1 line
Sony: 2 lines	NEC: 0.5 line (TECO's 0.5 line will be added)
Total: 21.5 lines (Actually should be 24 lines)	(Evidence Sogap 3-43)

All manufacturers **agreed to announce to the monitor manufacturers to that there would be a supply shortage for 14"/15" next year to maintain the price level.**

We should be able to notify the customers that the supply will be tight to prevent the prices from automatically dropping. (Evidence Sogap 3-43)

90 In order to agree on the CDT prices to be applied in December of the same year, the directors and employees<sup>8</sup> of Samsung Electronic Tube, LG Electronics, Philips, and Chunghwa Picture Tubes participated. The participants were Mr. Ha of the Taiwan subsidiary of Samsung Electronic Tube, Mr. Park and Mr. M. M. Park of LG Electronics, Siuri Lin of Philips, and Chi-Chun Liu, Shen-jen Yang, and Ching-wien Du of Chunghwa Picture Tubes. This can be confirmed by Chunghwa Picture Tube's "Customer Contact Report."

#### (4) The meetings held by the competitors in 1998

<Table 20>

The summary of the CDT Cartel Meetings in 1998

Year	Date held	Agreement details	Participants	Evidences
1	1.5. 1998	Maintain the 14"-15" CDT price difference	Chunghwa, SDI	Evidence Sogap 3-44, page 843 of the review report
2	1.14. 1998	Minimum prices (14": \$58, 15": \$73~74). Establish an audit system	Chunghwa, SDI/Chunghwa, Toshiba	Evidence Sogap 3-45 Page 852 and page 861 of the review report
3	1.19. 1998	Increase the 17" CDT prices	Chunghwa, Matsushita	Evidence Sogap 3-47 Page 870 of the review report
4	3.4. 1998	Decrease production / Minimum prices (14": \$53.15, 15": \$65)	Chunghwa, LG/Chunghwa, SDI, Philips, Orion	Evidence Sogap 3-48~9 Page 879 and page 891 of the review report
5	3.25. 1998	Amount of decrease (\$0.5~1.0/pc), price stabilization	Chunghwa, SDI	Evidence Sogap 3-50 Pages 900~902 of the review report
6	3.30. 1998	Price guidelines (14": \$50, 15": \$63)	Chunghwa, SDI, LG, Orion	Evidence Sogap 3-51 Page 912 of the review report
7	4.14. 1998	Production reduction, price maintenance	Chunghwa, SDI	Evidence Sogap 3-52 Page 920 of the review report

<sup>26</sup> Although the companies which participated in the cartel meeting are clear based on the evidence related to this meeting, some of the participants could not be identified, so no participant names were indicated for some of the participating companies as a result.



8	5.18. 1998	Sales prices (14": \$46, 15" \$56)	Chunghwa, Orion	Evidence Sogap 3-53 Page 928 and page 932 of the review report
9	6.1. 1998	Price reduction, prevention of price drop	Chunghwa, SDI, Orion	Evidence Sogap 3-54 Pages 942~943 of the review report
10	7.9. 1998	Confirmation of the intention to maintain the cooperative relationship	Chunghwa, LG	Evidence Sogap 3-55 Page 956 of the review report
11	7.18. 1998	Termination of sales of B products, 1 <sup>st</sup> and 2 <sup>nd</sup> price increases, application of different prices for major customers and other customers, production reduction, implementation of the audit system to check adherence to agreements	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 4-1, page 2738 Evidence Sogap 2-2, page 344
12	7.31. 1998	Reduce 17" production by 25%, maintain the price of \$93	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 4-2 Page 2741 of the review report
13	8.21. 1998	Check whether the price increase agreement is being implemented, Check increases in price for products from SDD to SEC	Chunghwa, Hitachi	Evidence Sogap 3-56 Page 967 and page 969 of the review report
14	9.2. 1998	Production reduction for 14", 15", and 17" and price increase plans	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 4-3 Page 2746 of the review report
15	10.9. 1998	Number of production reduction days and measures to check implementation	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 2-2, page 346 Evidence Sogap 4-5, page 2751 of the review report
16	10.20. 1998	Sales prices (maintain the price of 14", increase the price of 17")	Chunghwa, "SDI, LG, Orion, Philips	Evidence Sogap 4-6, page 2760 of the review report
17	11.4. 1998	Measures to check the implementation of price reduction	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 4-7, page 2764 of the review report
18	11.23. 1998	Maintain the current sales prices	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap 4-8, page 2767 of the review report
19	11.28~29. 1998	Increase the sales price of 17" by \$5	Chunghwa, SDI, LG, Orion, Thai CRT	Evidence Sogap 4-9, page 2769 of the review report

The meeting on January 5, 1998

91 During this meeting, the defendants continued to discuss about the necessity of maintaining the price difference between the 14" CDT and the 15" CDT. The reason was that in the event that the price gap between the two products narrowed, the demand for 14" CDT's would be transferred to the 15" CDT, thereby reducing the profit level. Also, in regard to the sales prices applied to Samsung Electronics, a Korean customer, Samsung Electronic Tube confirmed to Chunghwa Picture Tubes that Samsung Electronic Tube had never supplied Samsung Electronics the products at lower prices. The meeting participants were Mr. Ha of Samsung Electronic Tube and another person from Samsung Electronic Tube and Chi-Chun Liu, Shen-jen Yang, and Ling-yun Cheng of Chunghwa Picture Tubes. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

If the price difference between 14" and 15" narrows to USD 10.00 for SDD, inevitably substantial portion of the 14" demand will shift to 15". Then, the entire market will actively push for change.

(Evidence Sogap 3-44)

Regarding the rumor that the Korean manufacturers started dumping their products at low prices due to the substantial depreciation of the Korean currency, SDD stated that the product orders were adequate and that there was no need to hurriedly decrease the prices. In the case of SEC, as the products started to be imported through CDT and TSB, the payments have to be made in dollars, so the import prices are still high. As a result, SEC could not substantially decrease the prices, and there was no statement that SEC was dumping its products. (Evidence Sogap 3-44)

The two two-party meetings held on January 14, 1998

92 During this meeting, Mr. Lee of Samsung Electronic Tube inquired to Ling-yun Cheng about the possibility of a price drop due to the reduction in orders and Chunghwa Picture Tubes confirmed its intention to maintain the price level. On the same day, Toshiba's Hamano, Oshima, and Yang-chang Lee and Chunghwa Picture Tube's Chieng-wien Lin and Ching-wien Du discussed about drawing up common guidelines for the CDT manufacturers and setting up an audit system. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

Assistant Vice-president Lee expressed his concern about price decreases due to the decrease in orders for CPT [Chunghwa Picture Tube]'s 14" products. I answered that we were not taking any actions to reduce the price of the 14" CDT and that we would maintain the minimum price at USD 58. I hope that both sides will be able to reach an agreement. We plan to reduce the price of 15" from USD 74~74 to USD 73~74. (Evidence Sogap 3-45)

For such a reason, he proposed to organize an international CDT industry association during this visit. The member companies had to maintain representatives in Korea, Japan, and Taiwan in order to meet in the above meeting, to prepare common guidelines appropriate for the circumstances, and to prepare an audit system to audit the actual activities of each member. (Evidence Sogap 3-46)

The two-party meeting on January 19, 1998

93 During this meeting, the defendants confirmed that except for Hitachi, the CDT manufacturers had increased the 17" CDT prices starting January 16 of the same year in accordance with the previous agreement. Also, Chunghwa Picture Tubes confirmed that in the event that other CDT manufacturers agree to increase their prices by the same level as the Japanese products, the company would follow suit. During this meeting, He-wi Ahn and 2 others from Matsushita and Chi-Chun Liu and Sheng-jen of Chunghwa Picture Tubes participated. This can be confirmed in Chunghwa Picture Tube's "Visiting Report."



Even if some companies mess around, if the demand is still strong, such actions will not impact the overall situation. Except for Hitachi Singapore, which was acting independently, **all the manufacturers in Japan, Korea, and China increased their 17" prices at this time.**

If the conclusion reached by all the companies is CF Med (confirmed), CPT will definitely follow this.

(Evidence Sogap 3-37)

The two-party meeting and the multi-party meeting held on March 4, 1998

94 During this meeting, the defendants agreed to control production and inspect the details of the agreements in order to improve the market situation marked by excess supply and further agreed to hold more meetings in the future in order to check in advance uncertainties related to the prices. In order to discuss on stabilizing the CDT prices, Mr. Cho and 4 others from LG Electronics and Chi-Chun Liu and 2 others from Chunghwa Picture Tubes participated. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

It was stated that the current CPT business was very difficult, the excess supply in the overall market was serious, **and that the price decrease issue had to be strictly resolved based on production control by all the companies.** (... It was explained that the agreed production control would not be effective without strict supervision.)

Mr. Cho said **that he wanted to contact frequently and exchange information** and stated that any **rumors in the market could be mutually confirmed.**

(Evidence Sogap 3-48)

95 On the same day, Mr. Ra and 3 others from Samsung Electronic Tube, Jung Lin of Philips, Mr. Moon of Orion, and Shen-jen Yang and 2 others from Chunghwa Picture Tubes held a multi-party meeting to agree on the CDT prices. The defendants checked the customer demands and the market supply and demand situation, and then discussed about the sales prices of the 14", 15", and 17" CDT's to be applied jointly. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

Mr. Ra said that he wanted the participants to use the following prices as the minimum prices for the 14"/15" CDT's.

**14" – USD 53.0/pc** **15" – 65.0/pc**

Mr. Ra wanted SDD and LG to maintain the USD 130.0/pc level.

(Evidence Sogap 3-49)

The two-party meeting on March 25, 1998

96 Chunghwa Picture Tubes worried about the strong downward pressure on the CDT prices from the Taiwanese monitor manufacturers as a result of the enhanced price competitiveness of the Korean monitor manufacturers due to the depreciation of the Korean currency. During this meeting, Mr. Ra of Samsung Electronic Tube proposed that all the CDT manufacturers should jointly endeavor to reduce the price decrease.

Chunghwa Picture Tubes expressed that the company wanted Samsung Electronic Tube to transfer some of the supplies sold to Samsung Electronics to Chunghwa Picture Tubes and discussed about such a possibility. From this, we can see that the quantity of sales to Samsung Electronics depended on the market situation and the supply prices and that the purpose of the adjustment of order quantities among the competitors was to avoid competition, thereby avoiding decreases in prices.

97 Lastly, the defendants agreed to hold a top level meeting between the two companies with the CEO from each company present and to hold a multi-party working level meeting including the participants from the two companies, Philips, and LG Electronics, on March 30 of the same year. Samsung SDD's Mr. Ra and another person and Chunghwa Picture Tube's Chi-Chun Liu, Shang-jen Yang, and Ching-wien Du participated in this meeting in order to discuss about how the CDT manufacturers could carry out joint actions effectively. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

Due to the enhanced competitiveness of the Korean monitor producers as a result of the depreciation of the Korean won... The Taiwanese producers will exert pressure to reduce the price level to USD 60.0/pc in order to maintain competitiveness against the Korean companies.

Mr. Ra said that he wanted all the companies to cooperate to limit the price decrease to about USD 0.5~1.0 in order to prevent the business situation from deteriorating further.

(Evidence Sogap 3-50)

Director Liu said that if SDD could transfer 5% of the orders (transfer orders from SEC), in other word, (namely, SDD's production utilization rate decreases to about 75%), CPT could provide supplies at better prices. He continued that if the CPT production line utilization rate continued this way, the need to compete for orders would subside in the current market. Also, he said that this would contribute to the stabilization of the price level.

(Evidence Sogap 3-50)

CEO Sohn of SDD will visit Taiwan in mid-April. I hope that on he will have an opportunity to exchange opinions with CEO Lin regarding the market information and industry situation.

Also, the working level employees of PH/LG/CPT/SDD were invited to SDD's Taipei office on March 30, '98 at 2:00 PM to exchange information on the market situation and on the price information. I hope that a consensus will be reached regarding the price level.

(Evidence Sogap 3-50)

The multi-party meeting on March 30, 1998

98 The purpose of this meeting was to exchange information on the CDT prices in order to refrain from engaging in CDT price competition. During this meeting, the participants agreed that the price differences between Chunghwa Picture Tubes and other participants for the 15" CDT and the 14" CDT should be adjusted to 2 dollars and 3 dollars, respectively. Also, the participants discussed about setting the minimum price of the 14" CDT at 50 dollars and the minimum price of the 15" CDT at 63 dollars.

The four companies including Samsung Electronic Tube, LG Electronics, Orion, and Chunghwa Picture Tubes held this meeting in the Samsung Electronic Tube meeting room in Taiwan. During this meeting, the companies agreed on the prices of the CDT prices. The participants from each company were Mr. Ra, Mr. Ha, and another person from Samsung SDD's Taiwanese subsidiary company, Mr. Lim and another person from LG Electronics' Taiwanese subsidiary company, Mr. Moon of Orion, and Shen-jen Yang and another person from Chunghwa Picture Tubes. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

In order to prepare April price guidelines to prevent the CDT prices from decreasing exorbitantly due to excessive price competition, the people from CPT/PH/LG/Orion and other related people were invited.

CPT's proposal to adjust the price difference to USD 2.00/USD 3.00 to reduce 14"/15" was welcomed by everyone. SDD also promised to follow this action. Mr. Ha said that SDD wanted to maintain the April 14" price level above USD 50.00/pc and the April 15" price level above 63.0/pc.

(Evidence Sogap 3-15)

The two-party meeting on April 14, 1998

99 This top level meeting was held in Taiwan with Representative Director Sohn from Samsung SDD's headquarters office, Mr. Ra, the head of the Taiwanese subsidiary company, and 4 others and Representative Director Chieng-wien Lin and 4 others participating in order to reconfirm the principle of agreeing on the CDT prices and to strengthen cooperation. During the meeting, the two companies' representative directors agreed to maintain the price level by reducing the production level as follows. Also, from the information contained in the evidential materials, we can see that on Saturday of April 14 of 1998 when this meeting was held, the Korean CDT manufacturers LG Electronics and Orion agreed to hold a multi-party meeting in Korea to agree on the prices. Also, according to the statement made by Mr. Ra of Samsung Electronic Tube, we can see that the Taiwanese subsidiary company of Samsung Electronic Tube was carrying out the agreements reached with the competitors in accordance with the directives of the headquarters office. This can be confirmed in the "Visiting Report" indicated as "confidential" prepared by one of the participants from Chunghwa Picture Tubes.

If the CDT manufacturers cooperate to reduce the utilization rate to adjust to the market demand during the offseason, maintaining the price level will not be difficult. However, if all the companies increase the utilization rate, some companies will no longer be able to exist. Also, price wars will not be avoided.

(Evidence Sogap 3-52)

CEO Sohn said that he would invite LG and Orion this Saturday in order to find ways to maintain the identical CDT price for everyone's benefit by discussing about the current market situation.

(Evidence Sogap 3-52)

Also, President Ra said that he had been dispatched to Taiwan in order to do his best to maintain the price level. He wanted to have a dinner meeting with President Lin every month in order to discuss about the market situation and to exchange opinions.

(Evidence Sogap 3-52)

The two-party meeting on May 18, 1998

100 During this meeting, Chunghwa Picture Tubes, Philips, and Samsung Electronic Tube agreed to set the sales price of the 14" CDT at 46 dollars and the sales price of the 15" CDT at 56 dollars, as they had discussed on the previous Tuesday. Also, the defendants confirmed to adhere to the agreements and to draw up a system to check adherence to the agreements. The meeting participants were Mr. Moon and Mr. Kang of Orion and Chi-Chun Liu, Shen-jen Yang, and Ching-wien Du of Chunghwa Picture Tubes. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

Director Liu explained that based on the results of the meeting held between President Lin of CPT, Mr. David Zhang of PH, and Mr. Ra of SDD, there would be no price decreases for the 14"/15" CDT's and the May prices would be strictly maintained as follows: 14" MPRII: USD 46.0/pc, 15" MPRII: USD 56.0/pc (If any special prices were offered to the major customers, such prices have to be maintained, but no further price decreases should be allowed.) (Evidence Sogap 3-53)

Therefore, everyone should be faithful in maintaining the prices. If we hear from the customers that SDD and PH are competing in price in secret in violation of the resolution, this information should be provided to CPT. Then, CPT will appeal to SDD and PH. (Evidence Sogap 3-53)

The multi-party meeting on June 1, 1998

101 The sales directors and employees from the 4 companies who participated in this meeting agreed to reduce production as follows in order to jointly maintain the CDT prices, which were falling due to the reduction in market size. On Saturday of the previous week, the Korean CDT manufacturers had held a meeting to agree on prices, had planned to discuss further on production cutbacks, and had planned to meet with Mr. Kim of Samsung Electronic Tube, Chunghwa Picture Tubes, and Philips on June 3 and June 8 to inform them of the details of the agreements. The meeting participants were Mr. Ra, Mr. Ha, and another person from Samsung SDD's Taiwanese subsidiary company, Mr. Moon and another person from Orion, and Chi-Chun Liu and 2 other people from Chunghwa Picture Tubes. This can be confirmed in Chunghwa Picture Tube's "Customer Contact Report."

In order to solve the current situation in which the CDT prices are continuing to drop, all the manufacturers have to not only maintain their prices but also reduce the production level to change the market situation characterized by excess supply to allow the prices to rebound. Also, Mr. Ha of SDD and Mr. Moon of Orion believe that the only way to succeed is for the top management to start to decide on additional cooperative measures to reduce production to change the supply and demand situation regardless of the utilization rate (different from the current situation in which production naturally decreases due to the slow market) (Evidence Sogap 3-54)

Last Saturday, **SDD, LG, Orion, and other manufacturers held a meeting and have already reached a common understanding regarding the price guidelines.** Today (June 1, 1998), the companies will have a meeting at 2 t to continue to reach agreements on production reduction. **SDD's Mr. Lin Kim** (top business unit director) will visit Taiwan on June 2, 1998 and will meet directly with **Mr. Lin** on June 3 and with **Mr. David Jang of PH** on June 8 to **explain about the resolution and to discuss about it.** (Evidence Sogap 3-54)

The two-party meeting on July 9, 1998

102 According to Chunghwa Picture Tube's Customer Contact Report below, we can see that 15" and 17" products started to become major products instead of 14" and 15" products. Also, while the Japanese manufacturers were cutting back their production, Chunghwa Picture Tubes, Samsung Electronic Tube, LG Electronics, and Philips confirmed with each other that they could jointly influence the market prices, agreeing to check each other in order to prevent any of the four companies from breaching the details of the agreements.

**The other companies that can impact the market are CPT, PH, SDD, and LG.** As long as these 4 manufacturers cooperate on the price policy, we will be able to lead the market. He wanted to be able to communicate with L"G employees fact to face in the future. **If LG heard the rumor that CPT is offering low prices, you can ask CPT to confirm the rumor.** If a close cooperative relationship can be formed, they will be able to lead CPT in the right business direction to ensure profitability. (Evidence Sogap 3-55)

The multi-party meeting on July 18, 1998

103 This meeting was a multi-party meeting held by the sales directors and employees of Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, and Orion in order to agree on the CDT prices in Korea. According to the report prepared by Mr. Lee of Samsung Electronic Tube titled "The Results of the 7<sup>th</sup> (July 18) CDT Industry Meeting" and inferring from the statements made by the participants, the following can be confirmed.

**Sales of B products that can distort the market prices should be stopped.**  
**The prices should be increased for all customers starting August 1** of the same year.  
**The 2<sup>nd</sup> price increase should be implemented within October** of the same year.  
 Different prices should be applied for major customers and other customers.  
**Production should be cut back**  
 The details of the agreements should be provided to the Japanese companies  
**A system to check whether the companies are implementing the agreement should start (production volume: once a month, price: once a week)** (Evidence Sogap 4-1)

Answer 19) "Sales stop of class B" among the agreement is below 1% in the output, but sales are to be stopped because, in the case that the goods of class B are to be distributed in the market as honest goods, it has an adverse effect on the overall market price. The agreement that does not acknowledge "Buffer Period" means that it was agreed to increase the price immediately because the company that implemented the price increase first can be damaged in the case that puts a grace period by customers after the agreement on a price increase is obtained.

Additionally, we had come to an agreement to review the second price increase around Oct., and I remember that actually at the time after the agreement the price was increased. We had come to an agreement "to apply Bottom price that is already agreed to main customers and to apply the increased price of 1~2 dollar with comparison to Bottom price to the other customers," and this means an agreement that applies the bottom price (the minimum agreed price) to main customers to which a lot of quantity is supplied but applies a slightly higher price with comparison to the bottom price to the customers that are not main customers to their own. ...

Looking the information that estimated the demand/supply of third quarter in 1998, the total supply quantity of five companies that were participated in the meeting of cartel was 3,920K and the total supply quantity of Japanese companies was 3,500K, and we had underwent a process that reduce and adjust by the five(5) companies that participated in the meeting of cartel in order to meeting the remaining demand quantity after deducting the supply quantity part of Japanese companies after estimating the total demand quantity in order to adjust the supply quantity jointly. (Evidence Sogap Number 2-2)

□ Multi-party meeting on July 31, 1998

104 This meeting is a multi-party meeting for the price increase agreement of CDT that is conducted in the office of Philips Taiwan as agreed in the previous meeting by the executives and staff in charge of CDT sales of Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, and according to "the result report of 8<sup>th</sup> (July 31) meeting of CDT business circles" made by \*\* Lee of Samsung Electronic Tube, who participated in the time of meeting, the fact of agreement to the following is confirmed.

**Agreement of reducing the production of 17" CDT: 25% is reduced during third quarter, 1998**  
**Maintaining the price of 17" as 93 dollars**  
**Price is increased to the case that the shipping is also delayed without exception**  
**Prohibition of class B sales** (Evidence Sogap Number 4-2)

105 Additionally, it is a fact that the defendants compared the production ability, production plan, size of reducing production by each company by making the following table and came to an agreement pertaining to the reduction of output. This is applied to the act that reduces the output of each company artificially by adjusting to the CDT demand in order to prevent price decrease because of an oversupply. According to the following 17" CDT reduction agreement, it is possible to know that the production ability (capability) of five companies in the third quarter 1998 was 5.4 million unit but the real production was adjusted to 3.7million unit, and they have come to an agreement to hold a meeting of hands-on staff class, respectively, in Taiwan on Sept. 2 and in Seoul on Sept. 20 of the same year.



	CAPA	Original Production Plan	Reduce Production	Production Plan (Unit: 1,000)
SDD	1,800	1,500	Δ60	1,440
LG	1,830	800	Δ30	770
Orion	100	10	-	10
Chunghwa	900	810	Δ30	780
Philips	840	800	Δ30	770
Total sum	5,470	3,920	Δ150	3,770

□ Two-party meeting on Aug. 21, 1998

106 In the two-party meeting between Hitachi and Chunghwa Picture Tubes, Liu of Chunghwa Picture Tubes had confirmed that the CDT manufacturers of China and Korea had succeeded in a price increase (as in following) according to the previous agreement, and indicated that there was a plan to increase the price again around October of the same year.

Director Liu **confirmed** that the manufacturers of China and Korea had **adjusted the price from the first quarter to Aug. successfully**, as in the following.

14" MPRE	USD 50.0
15" MPRE	USD 60.0
17" MPRE	USD 93.0
TCD	USD 96.0

Additionally, there is an intention to increase the price again in October due to market development and because the current price is barely maintained with the level of price that does not incur a loss. (These can decide the range of price increase in late August or early September.)

(Evidence Sogap Number 3-56)

107 The fact of a mutual confirmation as to whether or not Samsung Electronic Tube had increased the price targeting Samsung Electronics as the agreement is confirmed from the written contents of "(3) the other" clause of customer contact report of Chunghwa Picture Tubes, and consequently it is possible to know that Samsung Electronics is included in carrying out the objective among CDT manufacturers.

Therefore, he has a question as to whether or not SDD had already increased the SEC price. Mr. Jang said the main concern that he is considering is that Taiwanese manufacturers do not have the largest loss because of a small action of Korean manufacturers after this one-time CDT price increase. Based on several meetings, Director Liu explained that the position of SDD regarding the price increase is very strong. Additionally, he said that he would raise an objection and request to confirm to SDD about the matter of the increase in the SEC price. Both of the parties agreed to pay attention to the deployment of the market situation and to maintain information exchange. (Evidence Sogap Number 3-56)

□ Multi-party meeting on Sept. 2, 1998

108 In this meeting, the defendants, in the same year, agreed to the reduction plan of fourth-quarter output and confirmed it by making the quantity of reduction by each company with the following table. It is a fact that it was to be carried out from November of the same year. Also, the participants agreed to maintain the price of 14" with 52 dollars, which was increased by three dollars, the price of 15" with 65 dollars for an increase of five dollars, and maintain the price of 17" with the same price from Oct. 1, 1998 after grasping the information of increase request by each company with relevance to the price-increase plan by the standard. This meeting was held in Taiwan by the executives and staff in charge of sales and marketing of five CDT manufacturers such as Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, etc. This is confirmed by the "Record of meeting result (Sept. 2, 1998)" of \* \* Lee, Samsung Electronic Tube.

<Capacity Reduction of Q4>					
		Original	Adjustment	Balance	Remarks
14"	LG	250	200	50	☞ Japanese companies also need to reduce their Capacity of 17" Reduction Q'ty ≒ 200K/4Q
	Philips	420	370	50	
	Chunghwa	1450	1420	30	
	SDD	1090	1060	30	
	Total	3210	3050	160	
17"	LG	1440	1360	80	☞ The capacity reduction start from Nov. 1998
	Philips	750	710	40	
	Chunghwa	1210	1140	70	
	SDD	1710	1620	90	
	105	105	0		
	Total	5215	4935	280	

<Price Increasing System>				
	Original Request			Agreement
	14"	15"	17"	
CPT	5	6~7	4	☞ Agreement 14": 3USD↑ = 52USD 15": 5USD↑ = 65USD 17": "Zero" From Oct. 1, 1998
Orion	2~3	5	Follow	
Samsung	Zero	5	Zero	
Philips	Follow	5	?	
LG	Follow	6~7	?	

□ Multi-party meeting on Oct. 9, 1998

109 The defendants confirmed the success or failure of the second price increase that was agreed in the previous meeting, and they discussed the reduction scenario that Philips had prepared as the center. This imparted a strong signal about the price increase to customers, specifically through the easy implementation and establishment of the reduction plan, that monitoring is possible and that the reduction and composition of sales product is decided by each company, while the price guideline should be kept.

Additionally, it was agreed that 1) the part of excess supply should be the target of reduction after comparing demand/supply, 2) adjust the days of operation with a reduction method but to reduce five days in the total CDT plants, including overseas plants, on Dec. 1998, and seven days on Jan. and Feb., 1999 with relevance to the reduction scenario. This made it possible to confirm whether or not to carry out the agreement by making up the monitoring team to comprise several regions, including Korea.

Answer 23) In the same meeting they shared the reduction background and reduction scenario for the reduction agreement, and agreed to stop the operation days of the total CDT plants, including overseas plant, for five days in Dec. 1998 and to stop seven days in Jan. and Feb. 1999. Additionally, it was agreed to make up a monitoring team by region and to submit a reduction plan for the effective carrying out. (Evidence Sogap Number 2-2)

1) Reduction background

- ☐ Easy Implement G Monitoring
  - ☐ Sending Strong Signal
  - ☐ Start Exercise G Fine by Each Company
  - ☐ Product Mix Manage by Each Company
- However, Price Guideline Stick Follow

(Evidence Sogap Number 4-5)

2) Reduction scenario

- ☐ Reduce the part of excess supply by comparison of demand/supply
- ☐ Reduce by adjusting the operation days
- ☐ Dec. 1998: Reduction for five days (total CDT plant, including overseas plant)
- ☐ Two months of Jan. and June, 1999: Reduction for seven days

3) Action item

- ☐ Make-up of Monitoring Team by region (Korea, Taiwan, Malaysia, China, England, Austria, Mexico)

(Evidence Sogap Number 4-5)

110 Executives and staff in charge of sales and marketing of five CDT manufacturers such as Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, etc., participated in the meeting. This is confirmed by "the data of meeting result of CDT business circles" made by \* \* Lee of Samsung Electronic Tube.

- ☐ Multi-party meeting on Oct. 20, 1998

111 In this meeting, the executives and staff in charge of sales and marketing of five CDT manufacturers such as Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, etc. held a multi-party meeting in Taiwan and agreed to the output reduction of CDT product and sales-price increase. According to the data of "meeting result of CDT business circles (Oct. 20)" that is made by \* \* Lee of Samsung Electronic Tube, with relevance to the sales price, the defendants agreed to maintain the price of 14", and to increase the price of 17" by going along with the five companies when Japanese company increases, and it is possible to know that Samsung Electronic Tube was to deliver the meeting result to Matsushita.

## 2. Agreement

- 1) **Price increase of 14"**: ☞The price of 14" CDT shall be maintained as the present (52\$)
- 2) **Opinion to the Japan's price increase of 17"**: Initially, in the case that there is a price increase in Japan, the price shall be increased by going along with the five companies. The opinion of five companies shall be delivered by Samsung (to Matsushita).
- 3) Indication of the price in 1999 (the first half): ☞The price of the first half of 1999 shall be maintained as the present price.

(Evidence Sogap Number 4-6)

## □ Multi-party meeting on Nov. 4, 1998

112 This meeting is a multi-party meeting that was held in Taiwan by the executives and staff in charge of sales and marketing of five CDT manufacturers such as Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, etc., and confirmed CDT reduction plan that was agreed in the previous meeting and whether or not of carrying out of mutual checking system again, and there is a fact that exchanged the sales price information. According to the data of business diary that \* \* Lee of Samsung Electronic Tube made the meeting result with memoirs, the fact that it was agreed to make up a monitoring team comprising several regions, including Korea, and to carry it out was confirmed in the meeting.

- ACTION (Regional monitoring team -> Malaysia, Mexico, Austria nk, China, tai\*\*\*, Korea  
-set up monitoring team, to do it the implementation

(Evidence Sogap Number 4-7)

## □ Multi-party meeting on Nov. 23, 1998

113 There is a fact that the executives and staff in charge of sales and marketing of five CDT manufacturers such as Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion, etc. held multi-party meeting in Taiwan and discussed about the present condition and sales price of each company. According to the e-mail data that an employee of Samsung Electronic Tube who participated in the meeting at the time sent the report of meeting result, it is a report of Taiwanese cartel meeting result, and it is possible to know the fact that reported the CDT meeting result that was held in Taiwan and a fact to maintain the present price until adjustment by the top-level meeting.

The following is the report of meeting result of five CDT companies that was held in Taiwan on Nov. 23. "Now in the state of a very severe and difficult situation because the sales quantity of 14" has been dramatically, rapidly reduced, but the situation will not improve with the decrease of price. Therefore, **the current price shall be kept until there will be a separate adjustment by the top-level meeting, even though the situation is difficult.**"

(Evidence Sogap Number 4-8)

## □ Multi-party meeting on Nov. 28~29, 1998

114 In this meeting, the executives and staff in charge of sales and marketing of five CDT manufacturers, namely Samsung Electronic Tube, Chunghwa Picture Tubes, LG Electronics, Philips, Orion etc. held a multi-party meeting in Korea for the agreement of CDT price increase, and according to the data of "CDT business circles meeting result (Nov. 28, 29)" that \* \* Lee of Samsung Electronic Tube, who participated in the meeting, personally made up for the internal report, it is possible to know there was an agreement that the defendants were to hold a top-level meeting once per quarter and were to held the next management level meeting in Taiwan on Jan. 20, 1999 and were to increase five dollars following Japanese business circles with relevance to the price of 17" CDT, and were to establish the reduction plan of the first quarter of 1999.

**Top-level meeting: One time per quarter, the next top-level meeting: Early Mar. Chunghwa (Malaysia)**

The next management meeting: Jan. 20 (Taiwan)

Case of 17 inch price increase

Agreement: **The five companies are to increase 5\$ within one month in the case that Japanese company is to increase the price as of Dec. 1, 1998.**

The five companies also **discussed again to increase the price within one month but within 5\$ on the premise of the increase of Japanese company.**

At the time of top-level meeting, not only 14" but also the reduction plan for the first quarter of 1999 should be established through information exchange to demand/capability/real production of first quarter of 1999, and it was operated with a practical meeting through the attendance of staff in charge.

(Evidence Sogap Number 4-9)

(5) Meeting among competitors, 1999

<Table 21> Outline of CDT cartel meeting during the period of 1999

Serial Number	Date of opening	Agreement	Attended company	Evidence data
1	Jan. 13, 1999	Increase of 17" price and time(Jan. 16)	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-58 p.983 of evaluation report
2	Jan. 18, 1999	Confirm the success of 17" price increase, reduction of output, the minimum price of 19" (\$185), maintaining the gap of sales price (\$10) among defendants	Chunghwa, SDI, LG, Orion, Philips	p.347 of Evidence Sogap Number 2-2 p. 1002, p. 1006 of Evidence Sogap Number 3-59 Evidence Sogap Number 4-10 p. 2773~5 of evaluation report
3	Feb. 10, 1999	Include 19" in the object of agreement, output reduction	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-60 p. 1023, p. 1027 of evaluation report
4	Mar. 1, 1999	Output reduction, keeping confidential	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-61 p. 1045, p. 1047, p. 1056 of evaluation report
5	Mar. 5~6, 1999	Days operated (25 days operated), increase the price of 17" \$5	Chunghwa, SDI, LG, Orion, Philips	p.348 of Evidence Sogap Number 2-2 Evidence Sogap Number 4-10-1 p. 2777 of evaluation report
6	Mar. 15, 1999	Increase the price of 17", plan of operation stop	Chunghwa, SDI, LG, Orion, Philips	p.348 of Evidence Sogap Number 2-2 Evidence Sogap Number 3-63 p. 1103~4 of evaluation report Evidence Sogap Number 4-11

7	Apr. 10, 1999	Monitoring plan of refraining from selling with low price, production reduction	Chunghwa, SDI, Philips	Evidence Sogap Number 4-12 p. 1781 of evaluation report
8	Apr. 14, 1999	Sales price (17": \$98, 19": \$185), Days of operating plant	Chunghwa, SDI, LG, Orion, Philips	p.349 of Evidence Sogap Number 2-2 p. 1118 of Evidence Sogap Number 3-64 Evidence Sogap Number 4-14 p. 2794 of evaluation report
9	Apr. 28, 1999	Plan of operation stop	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 4-15 p. 2803 of evaluation report
10	May 12, 1999	Sales price, plan of production reduction	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-65 Evidence Sogap Number 4-16
11	June 23, 1999	Sales price (15": \$5 increase, 17": \$95, 19": \$170), plan of operation stop	Chunghwa, SDI, LG, Orion, Philips (Top-level meeting)	p. 1149, p. 1156, p. 1160 of Evidence Sogap Number 3-67 p. 2813, p. 2817 of evaluation report Evidence Sogap Number 4-19
12	July 23, 1999	Price increase, plan of operation stop	Chunghwa, SDI, LG, Orion, Philips (Top-level meeting)	Answer 39) of Evidence Sogap Number 2-2 p. 1183, p. 1185, p. 1187 of Evidence Sogap Number 3-68 Evidence Sogap Number 4-20 p. 2826 of evaluation report Evidence Sogap Number 4-21
13	July 28, 1999	Sales price (17": \$92~93), price increase in Korea market, plan of operation stop	Chunghwa, SDI, LG, Orion, Philips	p. 1210 of Evidence Sogap Number 3-70 Evidence Sogap Number 4-22 p. 2850~1 of evaluation report
14	Aug. 4, 1999	Confirm the carrying out of price increase and operation stop agreement	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-71 p. 1223, p. 1226, p. 1227 of evaluation report
15	Aug. 10, 1999	Maintaining sales price and keeping confidential	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-72 p. 1240 of evaluation report
16	Aug. 20, 1999	Maintaining the sales price of 14", 15", 17", 19", Plan of operation stop	Chunghwa, SDI, LG, Orion, Philips (Top-level meeting)	p. 1250 of Evidence Sogap Number 3-73 p. 2854 of Evidence Sogap Number 4-23 Evidence Sogap Number 4-24 p. 2859 of evaluation report
17	Sept. 2, 1999	Price increase in the Korean market	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-74 p. 1260, p. 1263 of evaluation report
18	Sept. 20, 1999	Price increase of 15", price increase of 17", plan of operation stop	Chunghwa, SDI, LG, Orion, Philips (Top-level meeting)	p. 1281 of Evidence Sogap Number 3-75 Evidence Sogap Number 3-76 Evidence Sogap Number 4-26 Answer 41) of Evidence Sogap Number 2-2
19	Sept. 28, 1999	Agreement of supply quantity matching to the demand quantity of the whole world	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-77 p. 1337 of evaluation report
20	Oct. 13, 1999	Output reduction, maintaining the minimum price	Chunghwa, SDI, LG, Orion, Philips (Top-level meeting)	p. 1351, p. 1357 of Evidence Sogap Number 3-78 Evidence Sogap Number 3-79
21	Nov. 9, 1999	Confirming the result of agreement performance	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-80 p. 1385 of evaluation report
22	Nov. 26, 1999	Green meeting	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-81 p. 1385 of evaluation report



23	Dec. 22, 1999	Maintaining the current sales price	Chunghwa, SDI, LG, Orion, Philips	Evidence Sogap Number 3-82 p. 1397 of evaluation report
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□ Multi-party meeting on Jan. 13, 1999

115 In this meeting, the defendants discussed about the detailed plan of price increase of 17" CDT that was scheduled from Jan. 16, the same year, and then decided to increase the price on schedule. The participants of the meeting were the executives and staff in charge of sales and marketing such as Mr. \* \* Ha of Samsung Electronic Tube and plus one person, Frank Shao of Philips, Mr. \* \* Mun of Orion, Mr. Park of LG Electronics, Wen-Chun Cheng, Chun-Mey Sie of Chunghwa Picture Tubes, etc. This is confirmed by the "visit report" of Chun-Mey Sie of Chunghwa Picture Tubes.

There is a **need to strengthen the effort for the price increase of 17"** by several manufacturers. For example, SDD did not give an official written notice to its customer. We hope that SDD shall have a basis such as something that specifically matches the rate with several manufacturers when customers are doing price negotiation with DEM.

The result of progress that a variety of manufacturers achieved in the price increase of 17" CDT: [Underline with memoirs] **Several manufacturers showed a smooth progress and will increase the price from Jan. 16.** (Evidence Sogap Number 3-58)

□ Multi-party meeting on Jan. 18, 1999

116 The defendants confirmed the case of price increase of 17" CDT that is the previous agreement, and agreed to the output reduction of 14" CDT, and discussed the production quantity and price that is to be applied to the first quarter 1999 after reviewing CDT supply and demand of the whole world in 1998.

Answer 29) In the same meeting, confirmed that "the total companies has completed the price increase successfully with relevance to the case of price increase of 17-inch," as was agreed in the previous meeting, and agreed to sale the normal standard price of 19" (the minimum price) with \$185 that is decreased 10% in comparison to the price of Japanese company and to get \$10 more for the price of short length in comparison to the normal price. (Evidence Sogap Number 2-2)

117 First, the defendants confirmed that all of defendants increased the price successfully as the agreement with relevance to the agreement that is to increase the price of 17" CDT two days after the opening of the meeting. Such information is confirmed also in the data of "case of 17-inch" price increase => All the companies completed the price increase successfully" that is listed in the report of meeting result of Samsung Electronic Tube.

SDD: All of the customers of SDD accepted the price increase on 17".

L/G: The price increase on 17" was achieved smoothly.

Orion: Most of the 17" is for internal supply, and the quantity for external sales is very small. The customers also did not refuse the price increase.

Result of the price increase of 17" CDT: It was progressed smoothly. Each manufacturer increased the price after Jan. 16. [Underline with memoirs]

(Evidence Sogap Number 4-10)

118 Second, Discussion that is related to 14" CDT was made with China as the center regionally, the defendants agreed to reduce all of the output of each CDT plant for the price stabilization.

SDD: Mr. D. Y. Kim also added that the output was already reduced in order to stabilize the price of 14". In order to promote the price increase of CDT, in the case of necessary, must reduce all of the output, and even must close the production line. [Under with memoirs]

(Evidence Sogap Number 3-59)

119 Third, with relevance to the price of 19" CDT, the defendants agreed to the suggestion of Samsung Electronic Tube that established \$185 as the lowest price, and agreed to increase the price of short tube \$10 in comparison to the normal price, and to get for the product of Chunghwa Picture Tubes with cheap of %10 in comparison to the agreed price.

SDD urged to each manufacturers to observe the lowest price of TCO<sup>27</sup>, \$185 in the meeting. In addition, SDD requested to CPT to follow the market after the launch of 19", and to maintain the price gap below \$10. [Under with memoirs]

(Evidence Sogap Number 3-59)

Normal standard price of 19"(The minimum price): 185USD (0.260, TCO)

Short length: Normal price + \$10

(Evidence Sogap Number 4-10)

120 Finally, the participants decided to hold the next working level meeting in Taiwan on Feb. 10 the same year and to hold the next top-level meeting on Mar. 5~6 the same year together with golf meeting after discussing to attempt the price increase again in 2/4 quarter 1999.

Mr. David (of Philips) showed that the opportunity of price increase must be got again in 2/4 quarter. Mr. David requested, in order to achieve the control of a more improved production ability than that of 1998, to each manufacturer to make an effort together continuously for the reduction of output. President Lin of CPT said that he hopes everybody can maintain the price together.

(Evidence Sogap Number 3-59)

<sup>27</sup> TCO: It is a more strengthened regulation for electronic wave block than MPRII and its base is a numerical value that is measured at the point of 30cm of monitor surroundings.

## 1) The next meeting

☐ Working level meeting

Date: Feb. 10 14:00

Place: SDD Taiwan branch

Agenda: Demand/supply 1999

☐ Top-level meeting

Management meeting: Mar. 5, 1999 14:00~

Green meeting: Mar. 6, 1999

(Evidence Sogap Number 4-10)

121 This meeting is a multi-party meeting that was held in Taiwan and five companies such as Samsung Electronic Tube, LG Electronics, Orion, Philips, Chunghwa Picture Tubes, etc., attended. This is confirmed by the "contact report" of Chunghwa Picture Tubes and the data of "meeting result CDT business circles (Jan. 18, 1999)" of Samsung Electronic Tube.

☐ Multi-party meeting on Feb. 10, 1999

122 In this meeting, the defendants agreed to adjust the sales quantity by cooperating in advance for the maintaining and increase of sales price according to the expanding market of 19" CDT. And decided to do the best in order to maintain the balance of market's demand and supply, after exchanging the forecast information with relevance to the supply quantity and demand quantity of CDT in order to adjust the output in order the CDT supply does not exceed demand.

The thing that he (Mr. Ha of Samsung Electronic Tube) fears was the thing that if several manufacturers enter into the market of 19" one by one and the control of price and production ability is not improved, the decreasing speed of the sales price of 19" will not be slower than that of 17" of last year. ...There is no need for several manufacturers to suggest too low a sales price. They should avoid anything that affects the future price trend of 19".

Mr. Lin (of Philips) discussed 19" as a main title of the next information exchange meeting and agreed with Mr. Ha on the suggestion to include 19-inch as the formal discussion title of top-level meeting at first time from the next meeting, which was to be held in CPTM.

(Evidence Sogap Number 3-60)

Mr. Lin appealed to do the utmost in order to maintain the balance of market's demand and supply by telling several manufacturers to think of something that make progress in terms of a production-line change.

The total sum of CDT supply quantity 1999 (including Japanese manufacturers, for which the supply estimates is 27.9M on the basis of a load factor 70%) shall be 104.1M. The output of the five CMT manufacturers will be 76.2M.

(Evidence Sogap Number 3-60)

123 \* \* Ha, \* \* Lee of Samsung Electronic Tube, Mr. Park of LG Electronics plus one person, Mr. Mun of Orion plus one person, Mr. Jerry Lin of Philips plus one person, Wen-Chun Cheng of Chunghwa Picture Tubes plus one person attended. This is confirmed by the "visit report" for the internal report of Chunghwa Picture Tubes.

□ Multi-party meeting on Mar. 1, 1999

124 The information on the delivery quantity and expected order quantity for February of the same year was disclosed to the public in this meeting, there is a fact that Chunghwa Picture Tubes and Philips complained that Korean manufacturer should report the whole sales quantity of Korea, etc., to the thing that the Korean manufacturers reported only information on delivery quantity to Taiwanese customer. From this it is possible to know that the purpose of the cartel of this case is the control of output and artificial maintenance and an increase in the price of CDT product that is supplied to the whole world. Also, a member company (LG electronics), in which the days of production reduction was lacking, promised to supplement henceforward with discussing about the issue that the agreement of output reduction is performed well. In order to secure the effectiveness of output reduction agreement performance, Mr. Lin of Philips showed that he was to personally visit the production lines of the participants.

125 Additionally, the defendants discussed the matter of difficulties in the performance of the agreement because the information that was agreed at the time of the CDT meeting had been leaked to customers, so it was decided to maintain security to the agreement of CDT meeting thoroughly. Finally, the participants decided to hold the next CDT meeting at Chunghwa Picture Tubes, in Taiwan, at 2:00 p.m. on Mar. 8 of the same year.

Korean manufacturers reported only the sum quantity that was actually delivered to Taiwanese customer. **CPT and PH respectively claimed that Korean manufacturers also should report the total sales quantity of the world.**

(Evidence Sogap Number 3-61)

Looking fast performance of CPT than another participated manufacturers and a bigger output reduction rate than another manufacturers in production reduction, Mr. Lin expressed admiration to the wisdom and devotion of our arbiter for the stabilization of demand and supply in the CDT market. However, **LG announced that it was ready to supplement the continuous lack days of production reduction on the following months (April to June).** Mr. Lin said he would check in detail the plan of production reduction of production line of several manufacturers by investing time personally from Mar. (Underline with memoirs)

(Evidence Sogap Number 3-61)

He asked several participants to pay attention and to confirm whether or not the information had been leaked by the staff in charge of sales of several manufacturers. **Regardless of it, the communication path with customer with relevance to such information must be controlled.**

Date of the next CDT regular meeting-

It is scheduled to be held at Taoyuan on Mar. 8 (Wednesday) 2:00PM

(Evidence Sogap Number 3-61)

126 The executives and staff in charge of sales and marketing such as \* \* Yun of Samsung Electronic Tube, Me. Song of LG Electronics, Justin Park of Orion, Jerry Lin of Philips, Ching-Yuan Du, Chun-Mey Sie of Chunghwa Picture Tubes, etc., participated in the meeting for the agreement of CDT output reduction and price increase. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

(5) Multi-party meeting on Mar. 5~6, 1999

127 The defendants decided to reduce 10% of the CDT output from April 1999 and to check it by making up a monitoring team, and agreed to increase the sales price at least five dollars to 17" from May 1999, and that Philips takes charge the role of single window in order to induce the participation of agreement of Japanese companies, and that the next management level meeting is to be held by the supervision of Orion on April 14.

Answer 31) The same meeting was the first top-level meeting of CDT business circles that was held according to the result of agreement on Nov. 28, 1998 and held in a hotel that has a golf course and is located in Malaysia. I remember that around four people respectively including the representative director level of five companies such as Chunghwa Picture Tubes, LG Electronics, Philips Electronics, Orion Electric, etc., participated in the same meeting.

In the same meeting, "to adjust the operation day with 25 days in order to reduce the output of 17" CDT 10% on the next month (April, 1999) and "to increase the sales price five dollars from May 1999" and "to induce the participation of agreement performance by unifying the communication window with Japanese company to Philips" and "to answer within 24 hours in the case of mutual problem rise", etc., was agreed. Additionally, exchanged and shared the present condition with relevance to the sales of each company, market information, etc. (Evidence Sogap Number 2-2)

1. Main agreements

1) Reduction of 17" CDT 10% in April 1999 (Operation of 25 days)

➔ Adjust/check the production by submitting the reduction plan (operation plan of 25 days) by each company and by making up a separate monitoring team.

2) Increase the price minimum five dollars from May, 1999 (MPRII base \$98 -> \$103)

3) Making the communication window with Japanese company to be unified into Philips and transfer the mood of business circles and induce participation.

5) Submit results regarding all items/problems within 24 hours. (Evidence Sogap Number 4-10-1)

128 This meeting was held in Malaysia from Mar. 5 to Mar. 6 and was a meeting that the executives and staff including CEO of each company such as Chairman \* Son, managing director \* Kim, \* \* Kim, \* \* Lee, \* \* Park of Samsung Electronic Tube, vice chairman \* \* Jo, \* \* Jeon, \* \* Go of LG Electronics, Chairman Young Nam Kim, managing director \* \* Mun, \* \* Gang, \* \* Kim of Orion, Jang David of Philips, president Chieng-Yuan Lin, director Chi-Chun Liu, Ching-Yuan Du of Chunghwa Picture Tubes, etc., participated. This is confirmed by the data of internal report of Chunghwa Picture Tubes and Samsung Electronic Tube and the statement of \* \* Lee of Samsung Electronic Tube.

□ Multi-party meeting on Mar. 15, 1999

129 The defendants confirmed a fact that transferred to Hitachi and Mitsubishi through Philips as previously agreed and requested a support because the cooperation of Japanese companies is necessary condition with relevance to the price increase of 17" on May the same year. Additionally, a fact that the headquarters of Samsung Electronic Tube disclosed the price increase to Samsung Electronics as the agreement of CDT cartel participants was disclosed to the public. Also, submitted the plan of operation stop of 17" CDT by production plant of each company and agreed by making it with a table.

Mr. Ha of SDD said that if the price increase cannot succeed to get a support from Japanese manufacturers it would not succeed. Mr. Lin answered that Mr. David Chang disclosed the agreement of Malaysia to HTC/MEC and requested support.

**Mr. Ha asserted that the headquarters of SDD had disclosed the information to the price increase to SEC. SEC also disclosed to customers that the price is to be increased again.**

(Evidence Sogap Number 3-63)

Answer 32) In the same meeting, a specific schedule for the reduction plan in April 1999 that was agreed in the previous management level meeting was established and a plan for mutual monitoring was established. Each participant distributed the plan of operation stop that the present line conditions of the whole world's CDT plants that each company possesses and the days of operation stop were indicated to another participant in the meeting. Additionally, the present condition of sales by model of each company at the time was confirmed. Since then, on Mar. 31, 1999, our Korean company as well as LG Electronics and Orion Electric sent the result of discussion with fax to C. C. Liu, M. Du of Chunghwa Picture Tubes, Jerry Lin of Philips after discussing the reduction plan and mutual checking plan in April 1999.

(Evidence Sogap Number 2-2)

Unit: Kpcs

Company	Plant	Line	Non business day	Total output	990210 Output that is planned in 2/4 quarter
CPT	Taoyuan Yangmei Malaysia	2	4/4, 4/5, 4/18, 4/24, 4/25	810	2240
		2	4/4, 4/5, 4/18, 4/24, 4/25		
		2	4/10, 4/11, 4/28, 4/29, 4/30		
SDD	Suwon Busan	2	4/4, 4/11, 4/18, 4/25, 4/26	640	2100
		2	4/4, 4/11, 4/18, 4/25, 4/26		
LG	Gumi Changwon Wales	3	4/4, 4/11, 4/17, 4/18, 4/25	630	2040 -> 1850
		1	4/4, 4/11, 4/17, 4/18, 4/25		
		1	4/4, 4/11, 4/17, 4/18, 4/25		
Orion	Gumi	1	4/4, 4/18, 4/27, 4/28, 4/29, 4/30	70	430
PH	Chupei	1	Refer to annexed paper for detailed information	278	950
	Dapon	3			
	Lebring	1			

(Evidence Sogap Number 3-63)

130 In this meeting, \* \* Ha, \* \* Lee of Samsung Electronic Tube, Mt. \* \* Lim plus 3 people of LG Electronics, Mr. \* \* Mun plus one person of Orion, Jerry Lin plus one person of Philips, Yuan-Chun Cheng plus one person of Chunghwa Picture Tubes participated. This is confirmed by the meeting result report of Chunghwa Picture Tubes, the internal report and reduction plan of Samsung Electronic Tube and the statement of \* \* Lee.

☐ Multi-party phone conference on April 10, 1999



131 In the meeting, Chi-Chun Liu of Chunghwa Picture Tubes requested to \* \* Kim to stop the sales of low price of LG Electronics, and decided to confirm in the other party's plant by making up monitoring manpower after agreeing the closing days of production line and decided to cooperate mutually.

Chunghwa

-There is a concern of market price confusion because LG is offering the price of 15" by decreasing \$3~4 relative to the market price. -> Samsung is also wanted to block it.

Philips

-**Gratitude to the monitoring open of Samsung's Busan plant:** Thank you for Samsung's active cooperation to the monitoring of Philips in difficulties and anticipate the participation of LG (Gumi plant's open).

(Evidence Sogap Number 4-12)

132 In the meeting, \* \* Kim of Samsung Electronic Tube, Chi-Chun Liu of Chunghwa Picture Tubes , Jerry Lin of Philips checked the performance of agreement with relevance to CDT price and output reduction through phone conference. This is confirmed by the office e-mail data that \* \* Lee of Samsung Electronic Tube reported the result of the phone call internally.

□ Multi-party meeting on April 14, 1999

133 The defendants agreed the sales price after discussing the price gap by the detailed specification of 17" CDT and decided to promote the price increase on around July of the same year, and decided to maintain the existing agreed price (185 dollars) for the price of 19" CDT because the market situation is not good.

Answer 33) In the same meeting, it was agreed to "promote the price increase of 17-inch" CDT that was agreed to be increased from May 1999 on around July again," and "to maintain the price of 19" CDT with the present level but discuss it the next meeting again," "to make holiday at least five days for the CDT plant operation on May 1999."

CDT product has a variety of standard, and typically there is a gap of about three dollars in price according to the quality of coating even though in the same model. Outside of that, we discussed standard by departmentalizing it in order to reduce the price gap that is occurred according to model that each company produces even in the performance with the agreed standard price category because production cost gap was occurred according to frequency, dot, quality of material of mask etc. After meeting, in April 1999, I grasped the monitor manpower of other company and date, location and informed it to the Busan and Suwon plants of our company and took a step so that the mutual checking of whether or not plant operation stop is to be realized smoothly.

(Evidence Sogap Number 2-2)

**Agreed price by 17" specification**

-107Ω MPRII \$98.0

-Non-including of aluminum tape 105Ω \$99.0

-Including of aluminum tape 105Ω \$101.0<sup>28</sup>

(Evidence Sogap Number 3-64)

<sup>28</sup> Including/non-including of aluminum tape. According to whether or not attach aluminum tape for helping the discharge of static to the outskirt of coated product, difference occurs in sales price as well.

-The price increase of 17" CDT that was agreed to be increased from May was decided to promote re-increase (around July) looking later condition.

-In the case of 19" CDT price: Maintain the current level (\$185) but discuss again at the meeting on May.

(Evidence Sogap Number 4-14)

134 Also, the defendants agreed to make holiday five days of operation days on May the same year, and to operate during 26 days and decided to submit the operation plan by production line of the whole world in the meeting that is scheduled to be held in Taiwan on April 28. Finally, the defendants decided the next management level meeting and the opening date and place of top-level meeting, and this is confirmed in the report of Samsung Electronic Tube as the following.

☐ **Operation days on May, 1999: 26 days (holiday during five days)**

**Submission of plan at the meeting in Taiwan on April 28 (Including line/present condition of production of 2Q, 3Q 1999).**

**In the case that there is a change I line operation, inform to each company in advance through fax etc.**

☐ The next top/management meeting

Management meeting: May 21 09:30 ~ Chunghwa Taoyan plant

Top-level meeting: Jun 25/26 (Supervision of LG Electronics)

(Evidence Sogap Number 4-14)

135 In the meeting, the executives and staff in charge of CDT of Samsung Electronic Tube, LG Electronics, Orion, Philips, Chunghwa Picture Tubes participated and agreed to the sales price and days of production operation. This is confirmed by the internal report of Samsung Electronic Tube and Chunghwa Picture Tubes, the business diary and statement of \* \* Lee of Samsung Electronic Tube.

☐ Mutual checking whether or not the stop of production line on April 18, 1999

136 There is a fact that the participants of this case's joint action visited personally the other party's production facility in order to confirm whether or not the reduction plan is performed as the previous agreement. This is confirmed in the data of "case of monitoring schedule notice on April 18th" of Samsung Electronic Tube.

**1. Monitoring to our company**

☐ Busan plant

Manpower: Chunghwa Michael Du(Marketing manager)

Time: 08:00 ~ 09:00 arrival and monitoring

09:00 ~ Movement to Changwon plant of LG

**2. Monitoring to other company**

☐ Monitoring schedule of Chunghwa Malaysia plant

Schedule and line; Both days of April 17/18 (#5 line)

Manpower of our company: Manager Jae Gyeong Kim of production technology department, manager Jae Young Shin

(Evidence Sogap Number 4-15)

☐ Multi-party meeting on Apr. 28, 1999

137 In the meeting, it was agreed to reduce the output jointly in order to prevent a price decrease after forecasting the demand and supply quantity of the CDT market, and it was promised to make a closing schedule table of the whole world's production facility of each company and to carry out during May. The participants in the meeting were \* \* Yun of Samsung Electronic Tube, Mr. Lee plus two people of LG Electronics, Mr. \* \* Mun plus one person of Orion, Mr. Frank Shao plus one person of Philips, Chi-Chun Liu plus two people of Chunghwa Picture Tubes. This is confirmed by the report of the meeting results for the internal report of Samsung Electronic Tube and Chunghwa Picture Tubes. (Evidence Sogap Number 3-65, Number 4-16)

□ Multi-party meeting on May 12, 1999

138 The defendants shared the information on the sales quantity and sales price of each company and discussed the setting of the sales price, and it has been confirmed that Chunghwa Picture Tubes, Philips, Orion, Samsung Electronic Tube agreed on the sales price to the customer ADC that is selling CDT. Additionally, the minimum price with \$50 was agreed upon in the case of selling to the other customer besides ADC, and meanwhile it was agreed as the internal transaction with 48 dollars (a decrease of two dollars). It is possible to know that the transaction price among the affiliates was also the joint-action agreement object of this case.

Sales price of ADC MPR2	NOR <sup>29</sup>	SKD <sup>30</sup>		
Chunghwa Picture Tubes	\$50	\$48	\$47	O/A TERM
PHIL/SDD	\$49	\$47	\$46	L/C OR COD
The other customer: MPR2 \$50(RMB520) is the minimum price. (However, the internal transaction is permitted in the case of the \$2 decrease.)				
(Evidence Sogap Number 4-17)				

139 In the meeting, \* \* Kim, Mr. \* \* Yun of Samsung Electronic Tube, Jerry Lin, Rosa Hu, Frank Shao of Philips, Mr. \* \* Jo of Orion, Mr. Lin, Mr. Park, Mr. Ru of LG Electronics, Ching-Yuan Du, Chung-Cheng Ye and Chun-Mei Sie participated and agreed to the adjustment of production days for the output reduction after exchanging information on output and sales price. This is confirmed by the data of "result report of competitor working meeting" made by \* \* Yun of Samsung Electronic Tube.

□ Multi-party meeting on June 23, 1999

140 In the meeting, the defendants exchanged information on customer response, condition of demand and supply, etc., that each company had collected in order to confirm whether or not the conditions of price increase of CDT by model had been prepared.

<sup>29</sup> NOR: This means "normal." It refers not to a slim model but to a model of the maximum length.

<sup>30</sup> SKD: This is the abbreviation of Semi-Complete Knock-Down and refers to the product in the state of the temporary adjustment of ITC.

They also discussed the output reduction and the present condition of price increase of each company, etc.

CPT emphasized that the production line of 17" should be reduced by an average of 12 days in several plants in June. Additionally, the customer demand with relevance to 15"/14" is stable. It is thought that Q3 is the optimum period for the price increase of 15".

With relevance to the pricing of Japanese manufacturers, it is said that Mr. Kim personally visited HTC(J) in order to understand the present condition with relevance to pricing and production/sales.

Mr. Jo of LG said that the demand of 15" exceeded already supply, and LG hopes to increase the price through this opportunity, but on the other hand, there is a concern that it can be an opportunity to Japanese companies to start the production of 15" CDT again in the case that the price of 15" CDT is to be increased over \$70. (Evidence Sogap Number 3-67)

141 And agreed to increase the sales price of 15" CDT 5 dollars from Aug. 1 the same year and Samsung Electronic Tube decided to notice the agreement to Toshiba and to request the performance of it. In the case of 17" CDT, it was agreed to sell with 95 dollars on the base of MPRII, and agreed to maintain the price of 19" CDT with 170 dollars. On the other hand, agreeing the price of 14", 15", 17" CDT and agreed the internal transaction price ("Internal price") separately, and Additionally, agreed to the operation day's adjustment of 17" CDT and also to build a hot line that can communicate among competitors within 24 hours.

[15"] Result: At the end of extensive discussion, the price of 15" CDT is to be increased \$5 from Aug. 1. Additionally, Mr. Kim of SDD would send a notice to TSB and request to abide by such decision.

[17"] After having detailed review with manufacturers, Mr. David concluded as the following: 1. 17" MPRII - \$95, TCD \$96 (The price difference reduced to \$1); This will put an end to the problem that customers choose as they like to their advantage.

[19"] Mr. David of Philips concluded temporarily to the price condition of 19" as the following: The market price of 19" CDT decreased. Several manufacturers must maintain the price of \$170 for a while.

(Evidence Sogap Number 3-67)

### 3. Main agreement

#### 1) With relevance to price adjustment

□ 14" price: Applied as of Aug. 1

-Internal price: \$2 gap

□ 15" price: Applied as of Aug. 1

-Bottom price: \$67 (internal price: \$65)

□ 17" price

-Reference price: \$98

-Actual price: \$95 (MPRII base, including internal price)

#### 2) Operation days adjustment of 17" CDT on July

-July: Confirm whether or not "the closing of 5 days + additional 1 day of closing" at the meeting in Taiwan on June 30.

3) Composition of hot line: Replay within 24 hours (selecting staff in charge by each company)

(Evidence Sogap Number 4-18)

142 Additionally, with relevance to the operation stop for output reduction, the defendants agreed to reduce the operation days by 12 days during July ~ Aug., including the reduction of 5 days during July the same year. And it was agreed to hold the next top-level meeting on Aug. 20 the same year, and the management-level meeting on July 23 the same year in Taiwan from 9:30 a.m.

**Result:** According to the recommendation of Korean manufacturers, a foreign announcement is scheduled to state that there will be a **reduction of total 12 days in July ~ Aug., including a five-day reduction in July.** (Evidence Sogap Number 3-67)

4) The next top level/management-level meeting schedule

-Top-level meeting: It is postponed from July 24 to Aug. 20

-Management-level meeting: July 23 09:30 ~ (Taiwan)

(Evidence Sogap Number 4-18)

143 In the meeting, \* Kim plus three people of Samsung Electronic Tube, \* \* Jo plus three people of LG Electronics, \* \* Mun plus three people of Orion, Jerry Lin plus one person of Philips, C. Y. Lin plus three people of Chunghwa Picture Tubes participated. This is confirmed by the "report of business meeting" of Chunghwa Picture Tubes and the data of "management-level meeting result of CDT 5 companies (June 23)," information that is listed in the business diary of \* \* Lee, etc.

□ Multi-party meeting on July 23, 1999

144 In the meeting, it was progressed with the order that "to check mutually whether or not the result that is agreed in the previous meeting is performed," "to agree to the price increase of 14-inch, 15-inch CDT," "to agree to the quantity of production reduction necessary in order to increase the price jointly and arbitrarily after forecasting the demand and supply of the CDT market." The defendants also confirmed the agreed price by model that was to be applied from Aug. 1 the same year and checked whether or not the progress of price increase was working.

Agenda

Review of last meeting

Market update - 17" Japanese movement - 14"/15" price-up

19" pricing position

Supply and demand

Output (or capacity) control

A.D.B.

(Evidence Sogap Number 4-20)

**-Price adjustment: Applied on Aug. 1**

**14": \$52, the price increase work is progressing smoothly**

**15": \$70 (Bottom price: \$67), the price increase work is progressing smoothly**

**17": Official \$98, Bottom \$95 (TCD: \$96)**

(Evidence Sogap Number 4-20)

145 It is a fact that, at the meeting, Orion and Samsung Electronic Tube referred to the following with relevance to the market sales in Korea. Moreover, it is possible to know that this was openly discussed in the meeting at the time because there is a need that the sales price to the demanding company in Korea should be decided as agreed for the smooth realization of agreement of the same cartel organized among the main CDT manufacturers worldwide.

That is, Chi-Chun Liu of Chunghwa Picture Tubes expressed discontent to the fact that the domestic demand price of Orion had not increased, which was because it would affect the planned price increase of Chunghwa Picture Tubes, which provides to demanding Korean companies.

146 Additionally, it is possible to know that the side of Samsung Electronics had a position that the external purchase rate must be expanded by 40% to the rate that is provided to Samsung Electronics from Samsung Electronic Tube, and from this it is confirmed that the quantity of Samsung Electronic Tube that is provided to Samsung Electronics is not a thing to be decided in advance but was variable according to the market situation and supply price.

OEC showed that Korean customers are still strongly resistant to the price increase to the 15" product for Korean domestic demand . . . . Moreover, Director Liu think that **Taiwan manufacturers has doubt that the reason that Korean monitor manufacturers cannot increase the price is because it was impossible to increase the sales price of CDT in the [Korean] domestic demand market . . . .**

Mr. \* Kim and D. Y. Kim of SDD said the supply quantity from SDD to SEC was merely 60% of the demand level of SEC. (Originally the internal group transaction is decided at the level of 70%). **SEC already raised a complaint to top-level management that 40% of SEC demand quantity must be met with an external purchase.** (Evidence Sogap Number 3-68)

147 The defendants agreed to implement a production stop of at least seven days in August of the same year, and decided to send the stop plan of each company's production line to Rosa of Philips one week prior to the end of the month with relevance to the procedure for the production reduction. According to the agreement result of the meeting Samsung Electronic Tube sent the plan of production day's adjustment to Rosa of Philips on July 29, 1999. Finally, the participants decided to hold a multi-party meeting together with golf in Korea on Aug. 20 of the same year.

**Finally, the resolution that carries out the production stop of at least seven days in Aug. had come true.**

(Evidence Sogap Number 3-68)

Output (or Capacity) Control Principle

Earlier notice –stop plan send to Rosa 1 week before month-end

(Evidence Sogap Number 3-69)

Green meeting (a.m.: meeting; p.m.: golf) on Aug. 20 will be held in Korea as agreed previously.

(Evidence Sogap Number 3-68)

148 The meeting was a top-level meeting for the CDT price increase and the agreement of output reduction, and \* Kim, \*\* Kim, \*\* Ha, \*\* Lee of Samsung Electronic Tube, \*\* Choi, \*\* Jeon, Joney Song (\*\* Song), \*\* Go of LG Electronics, \*\* Mun, \*\* Gang of Orion, Chang David, Lin Jerry, Rosa Hu of Philips, Chieng-Yuan Lin, Chichun Liu, Wen-Chun Cheng, Ching-Yuan Du of Chunghwa Picture Tubes participated.



This fact is confirmed by "visit report" of Chunghwa Picture Tubes, the meeting result report that has the title of "Meeting Agenda" of Samsung Electronic Tube, the meeting data at the time of Chunghwa Picture Tubes and Samsung SDI, the statement of \* \* Lee of Samsung Electronic Tube, etc.

□ Multi-party meeting on July 28, 1999

149 In the meeting, the defendants discussed an adjustment of the price of 17" CDT to match the market situation and a thing that the price increase of 15" CDT in Korea must be come true immediately, and it is confirmed in the information on report of the Chunghwa Picture Tubes side that there was a structure that whether or not the price increase of 15" CDT in Korean market would affect the agreement performance of other defendants. In response to the discontent suggestion of other defendants, Samsung Electronic Tube, LG Electronics, Orion, Korean companies promised to increase the price immediately.

1. Summary of working meeting
  - 1) **Adjust the price of 17" practically: The level of \$92~93**
  - 2) The price of Taiwanese 15" was increased most but the price increase of Korean companies was not completed so discontent is rising high
  - 3) The price decrease of 17" is to be decided at the time of working meeting of next week after top level report (Aug. 4 14:00, Dowon plant, Chunghwa) (Evidence Sogap Number 4-22)

Director Liu said that because Korean companies occupy a considerable market share at the time worldwide, **if the price increase is not progressed successfully in Korean market then it will certainly produce a big increase in the current price.** Additionally, according to the current understanding, a variety of manufacturers announced the price increase, but the price increase was not accepted. Director Liu wanted that all of the other manufacturers that participated in the meeting should request to Korean manufacturers to accept the price increase. [Underline with memoirs] Otherwise, the big action of price increase of Taiwanese manufacturers is also affected. Along with this, the order of Taiwanese manufacturers can also go to Korean manufacturers. [Underline with memoirs] Orion/PH, Additionally, it was thought that the price increase of Korean manufacturers was not certain until now, but if SEC accepts the price increase then the other Korean manufacturers will follow it. **Several manufacturers agreed to ask the headquarters of their company to progress the same procedure strongly for the price increase of Korean manufacturers.** (Evidence Sogap Number 3-70)

5. Strong discontent to the delay of price increase of 15" of Korean manufacturers
 

➔ **Immediate increase promise of Korean manufacturers** (Evidence Sogap Number 4-22)

150 Additionally, for the workable agreement price setting, opened the production quantity, sales quantity, the inventory of each company by the public standard on July and Aug., 1999 and exchanged it after producing a table, and each company submitted the present condition of the production line stop of August the same year.

Also, it is a fact that the defendants also agreed to the detailed procedure for mutual checking of whether or not the production line stopped.

	July				Aug.			
	14"	15"	17"	19"	14"	15"	17"	19"
	P/S/I	P/S/I	P/S/I	P/S/I	P/S/I	P/S/I	P/S/I	P/S/I
SDD	280/290/30	810/830/80	650/670/60	90/90/-	300/310/-	860/850/-	700/710/-	90/90/-
PH	65/50/-	420/340/290	260/280/180	35/20/60	35/45/-	310/420/-	310/340/-	40/30/-
CPT	330/370/130	880/950/130	650/620/140	14/18/16	340/280/-	1000/1000/-	650/650/-	20/25/-
Orion	90/80/30 Underline with memoirs	335/330/40	130/135/75		60/90/- Underline with memoirs	345/365/20	125/145/55	10/5/5
LG	90/95/0	600/620/130	580/540/200	75/70/40	0/10/.	550/650/.	550/530/.	70/60/.

**Date of production stop of 17" CDT to the production line of several manufacturers in August: Several manufacturers reported the date of production stop as the attached paper. There was a need for manufacturers to verify the inspection plan, and a need to send it to PH for an edition before Friday. Additionally, manufacturers must notify employees who are doing visits/preparation and must indicate the time of the plant visit in detail two days prior to the performance of inspection.**

(Evidence Sogap Number 3-80)

151 Five companies of Samsung Electronic Tube, LG Electronics, Orion, Philips, Chunghwa Picture Tubes participated in the meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes and "result report of competitor working meeting on July 28th" of Samsung Electronic Tube.

□ Multi-party meeting on Aug. 4, 1999

152 The defendants checked mutually whether or not the progress of price increase of 14" and 15" CDT on Aug. 14, 1999, as agreed in the previous meeting, was occurring. Particularly, Samsung Electronic Tube and Orion Electric of Korea increased the transaction price between affiliates successfully, and it is known that the purpose that the defendants increased the price at the same time was to maximize the profit without violating the other party's market share. It is also known that the purpose of the same meeting was to cope with the consumer jointly by refraining from competition in terms of price and quality among the defendants and the CDT manufacturer, and opened the fact to the public that they mutually requested to stop the act that suggested a lower price than the agreed price, and reduced output for the maintenance of the agreed price. Samsung Electronic Tube, LG Electronics, Orion, Philips, Chunghwa Picture Tubes participated in the meeting. This is confirmed through the "contact report" of Chunghwa Picture Tubes.

It was mentioned that **with relevance to the price increase of 14"/15"** that started in August, generally speaking, it was progressing effectively with all the manufacturers. All of Mr. Yun of SDD and Mr. Mun of Orion argued, in the case of their internal transaction (SEC and Orion), SDD and Orion progressed the price increase effectively because there is their own ultimate will regardless of whether or not the other party neglects to implement the CRT cost difference of five dollars in a timely manner. Mr. Yun requested to PH to progress an immediate price increase with D/W through Mr. Millan Baton of PH. (Mr. Yun referred to that the price was progressed to 67 dollars smoothly in the case of SDD. The price to other Korean customer was also increased to 67-68 dollars.)  
All of manufacturers urged to avoid violating the market share of other companies surely by applying the price increase at the same time.

(Evidence Sogap Number 3-71)

SDD suggested holding a quasi-top-level meeting in SDD Taipei on the next Tuesday (Aug. 10) 02:00 p.m. in order to prevent the manufacturers are to be taken to the rumor of market and to prevent the customers apply a strategy that makes the situation to be out from the control range by using the low price of Japan. This is an intention to make sure promptly the pricing of 17" CDT that all of manufacturers can follow.

(Evidence Sogap Number 3-71)

Manager Cheng of CPT requested to Orion that "Do not compete to the order of 17" with customer who is not the original (14"/15") Taiwanese customer. This is to prevent general practices that cause confusion by suggesting a slightly lower price than that of other manufacturers with the reason being the low quality of Orion. Additionally, manager Cheng said that CPT stopped the operation of 2 lines to maintain the fixed price (an average of 12 days' closing).

(Evidence Sogap Number 3-71)

□ Multi-party meeting on Aug. 10, 1999

153 During the meeting, the defendants confirmed the price increase in Korea with relevance to 15" CDT and agreed the sales price of 17" CDT again, and decided to maintain the secret to the fact of the same meeting to customers more thoroughly. Samsung Electronic Tube, LG Electronics, Orion, Philips, Chunghwa Picture Tubes participated in the meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

When Chunghwa Picture Tubes asked **whether or not the same price increase in Korea market, Samsung SDI accepted it, including Samsung Electronics, Hyundai, Daewoo**, and even said it would take a little time to shift the price increase from the monitor companies to PC manufacturers.

**Mr. Mun of Orion urged that the price increase of 15" in Korea market was successful. Philips pointed out that the price increase to Samsung Electronics, Daewoo Electronics had not yet been performed and said it would not ship without the acceptance of a new price.**

Jerry Lin of Philips suggested to use **the lowest price of 17" to \$93, and Samsung Electronic Tube and LG Electronics agreed.**

(Evidence Sogap Number 3-72)

□ Multi-party meeting on Aug. 20~22, 1999 and inspection of production line

154 The defendants checked the situation of performance of the agreement in the previous meeting, and set the agreed price after confirming whether or not the price increase of CDT according to the market situation and discussed also about the control plan of supply quantity. Moreover, it has been confirmed that they checked the performance condition of agreed price of CDT by standard and agreed on the sales price that was to be applied henceforth.

Agenda

Review of last meeting

Market update

-14"/15" price increase - 17" price development - 19" status

Capacity (or output) control

Glass supply and demand update

Green meeting

A.O.B.

(Evidence Sogap Number 4-24)

□ 1. Agenda

14"/15" price increase – Oppose to the additional price increase

**17" price development – Maintain the level of \$93.** It is necessary to maintain the piece even though the days of closing would have to be adjusted.

**19" status:** Difficulty continues according to the delay in demand recovery, but **maintain the agreed price level.**

(Evidence Sogap Number 4-23)

155 Looking at the contents of the related meeting result report of Chunghwa Picture Tubes, the defendants confirmed the fact of price increase to consumers in Korea, and decided the place and date that the next meeting would be held after agreeing on the sales price by standard and days of operation stop. Additionally, it has been confirmed that \* Kim of Samsung Electronic Tube delivered the discussions with relevance to the setting of the sales price, which was done together with Matsushita management before the opening of the meeting to other participants. It is a fact that on Aug. 22, 1999, two days after the above meeting, Ching-Yuan Du and Chu Ciangguo of Chunghwa Picture Tubes visited the Gumi plant of LG, the Suwon plant of Samsung Electronic Tube and Gumi plant of Orion, and confirmed personally whether or not the stop of production line as agreed during the previous meeting.

According to OEC, it said that customers are still resistant to the price increase of 15" tube of Daewoo. However, **OEC reduced the supply quantity 20% by sticking to the position.** SDD said that the increase in the supply quantity to Daewoo was successful. Orion got requests to stick to the position of price increase by mobilizing all means for success.

In order to prevent the continuous decrease of market price, all **agreed to maintain the lowest price of 93 dollars** [in the case of **17" CDT**].

The participants agreed to **maintain the price of [19" CDT] with 160 dollars and 150 dollars** and must keep an eye on the change of market demand continuously.

The participants in the meeting said that **the period of 17" tube production stop should be at least five days in September** in order to guarantee the price level effectively.

It was agreed that the next glass meeting is to be held at Taoyuan plant, CPT on Sept. 20 at 9:30 a.m.

Mr. \* Kim explained the result of meeting with top MEC management.

(Evidence Sogap Number 3-73)

156 The meeting was a top-level CDT multi-party meeting, and \* Kim, \* \* Kim, \* \* Lee, \* \* Ha of Samsung Electronic Tube, \* \* Choi, \* \* Jeon, \* \* Go of LG Electronics, \* Mun, \* \* Jo, \* \* Gang, \* \* Kim of Orion, David Chang, J.M. Smith, Jerry Lin, Jae Ho Bae of Philips, Chieng-Yuan Lin, Chi-Chun Liu, Ching Yuan Du of Chunghwa Picture Tubes participated. This is confirmed by the result report that has the title of "top-level/management meeting (Aug. 20)" of Samsung Electronic Tube, the "visit report" of Chunghwa Picture Tubes, the meeting data of Samsung SDI at the time, etc.

□ Multi-party meeting on Sept. 2, 1999

157 In the meeting, the defendants showed that they were well familiar with the fact that the sales price that Korean CDT manufacturers are applying to the demanding companies in Korea has an important effect on the profit of other participants as well. That is, in the case that Samsung Electronic Tube cannot increase the price as agreed to Samsung Electronics, affiliate, it was concerned that a large customer, including Samsung Electronics, becomes to request the price decrease to other companies that are participating in the cartel. Additionally, with relevance to sales quantity, the defendants were reluctant to change the market share that was maintained by customer at the time, and this is because that in the case that Samsung Electronic Tube provides to Samsung Electronics over the fixed rate, it then affects to Toshiba, other supplier, and if Toshiba provides the remaining quantity to other customer then competition is to be triggered among the total CDT manufacturers. \* \* Yun of Samsung Electronic Tube, \* \* Lim, \* \* Song of LG Electronics, \* \* Mun of Orion, Jerry Lin of Philips, Chi-Chun Liu, Wen-Chun Cheng, Ching-Yuan Du, Chun-Mei Si of Chunghwa Picture Tubes participated in the meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

b) [\* mark with memoirs] **Price increase issue of 15" in Korea**

CPT and PH inquired respectively to Orion whether or not Orion increased the price successfully to Korean monitor manufacturers such as D/W. Director Liu said as follows that the message that we got through the transaction with Korean customers such as D/W, Hyundai was that **they would not purchase if we increase the price. If Korean CRT manufacturers cannot increase the price successfully to the Korean monitor manufacturers, it will affect severely to the Taiwanese monitor manufacturers, particularly** in the off-season (when supply exceeds demand). They will worry about suffering difficulty as a result of being deprived of orders to the large-scale system manufacturers. Ultimately, it will be impossible for Taiwanese manufacturers experience pressure from our price increase. **I hope that Korean CRT manufacturers will face such matters and quickly eliminate the rumor in the market that the price increase of 15" in Korea will not yet come true.**

(Evidence Sogap Number 3-74)

CPT – Director Liu inquired as to why the decrease part of supply to D/W was not changed to an increase of supply to SEC. Mr. Yun replied as follows: It is not difficult to increase the supply to SEC, but a lot of problems may be caused. For example, such increase will directly affect the Japanese manufacturer (TSB), and this will make TSB switch to the Taiwanese manufacturer or other customers for SEC supply.

(Evidence Sogap Number 3-74)

□ Multi-party meeting on Sept. 20, 1999

158 This meeting was progressed with the order of "checking whether or not the performance of the agreement of the previous meeting" -> "checking the market situation and demand and supply quantity of the whole world" -> "agreement of the price increase" -> "agreement of output control" etc., and the defendants decided to maintain the previous agreed price for 14" CDT after sharing information with relevance to the market situation and the response of customer that were collected respectively. In 15" CDT, the fact that the increase of five dollars that is the previous agreement was come true successfully and the fact that Korean manufacturers increased the price to Korean customers were confirmed. Additionally, agreed to decrease the price of 17" CDT in order to promote the demand relocation to the 17" CDT, and decided to stop the production line of 17" CDT during at least seven days in October of the same year with relevance to output control, and decided to report the plan of production stop by Chunghwa Picture Tubes on Sept. 28 of the same year 2:00 p.m. This meeting is a top-level meeting that was held in Taoyuan, Taiwan, and \* Kim, \*\* Kim, \*\* Lee, \*\* Ha of Samsung Electronic Tube, \*\* Choi, \* Jeon, \*\* Lim, \*\* Go of LG Electronics, \*\* Jo, Jimmy Kim, \*\* Gang, \*\* Gang, \*\* Mun of Orion, Jim Smith, Jerry Lim, Losa Hu of Philips, Chieng-Yuan Lin, Chi-Chun Liu, Wen-Chun Cheng, Sheng-Jen Yang, Ching-Yuan Du of Chunghwa Picture Tubes participated. This is confirmed by the "visit report" of Chunghwa Picture Tubes, the business diary of \*\* Lee and statement of Samsung Electronic Tube, meeting data that was distributed at the time of meeting, etc.

1. 14": Must pay close attention to the problem that increases the price of 14" henceforward. Mr. \* Kim of SDD also agreed to it. Therefore the price increase of 14" was not considered in this meeting.
2. 15": Market demand to 15" tube is maintained strongly. All of manufacturers are still in good state at present production and sales quantity and revealed that the price of Aug. also increased without problem according to the agreed price. All of manufacturers are believe that the demand to 15" product is to be weak from Dec., President Lin also revealed that the price of 15" tube would be increased, and would decrease the price of 17" tube slightly from August in order to narrow the price gap between two products and promote that the market demand is to be moved to 17". ...All of SDD/LG/Orion revealed that they increased the price to Korean Manufacturers according to the agreed price.
3. 17": With relevance to the control of production ability of 17" in October, all of PH/SDD/CPT suggested that there is a need for production line to be stopped during at least seven days... Additionally, LG and Orion prepared the agreement to stop production during seven days at first time after a long discussion. ..Additionally, it was decided that the report to the plan of production stop that each manufacturer does would be done in CPT on Sept. 28 at 2:00 p.m.

(Evidence Sogap Number 3-75)

□ Multi-party meeting on Sept. 28, 1999



159 During the meeting, the defendants opened the predictive value of each company's supply quantity and demand quantity of the whole world 2000 to the public and exchanged opinions to the market situation, and then estimated the demand quantity of CDT monitor by standard as the following, and agreed to stop the production line of 17" CDT that is the main items at the time during seven days in October 1999 in order to adjust the production quantity according to it. Explaining concretely, because the total demand of the year 2000 is forecasted with 111,500,000("111.5M") the defendants decided the supply quantity with 117,000,000("117.15M") according to it and agreed the operation rate by inch. \* \* Kim, \* \* Yun of Samsung Electronic Tube, \* \* Jeon, Mr. Park, \* \* Go of LG Electronics, \* \* Mun, \* \* Gang, \* \* Kim of Orion, Jerry Lin, Losa Hu, Li Mei of Philips, Wen-Chun Cheng, Ching-Yuan Du, Chun-Mei Ci of Chunghwa Picture Tubes participated. This is confirmed by the "contact report" of Chun-Mei Ci of Chunghwa Picture Tubes.

**Each manufacturer agreed to use the quantity of 111.5M as the criteria of total demand quantity of C-monitor 2000.** Demand situation prospect by each size is as the following:  
 14" 6.35M (5.7%), 15" 43.15M (38.7%), 17" 51.3M (46%), 19" 8.35M (7.5%), 21" 2.35M (2.1%)  
Scheduled production quantity by size 2000 of 5 manufacturers will follow the operation plan of 14"/15" 90%, 17"/19" 85% according to the prospect of market demand. The prospect of the total output of 5 manufacturers 2000 is 91.15M, and 14" is 5.25M, 15" is 37.0M, 17" is 41.65M, and 19" is 7.25M among the total.  
**Supply/demand 2000**  
**5 manufacturers & Japan supply = 91.25M + 26M = 117.15M**  
**Manufacturers agreed to reduce production to 17" continuously through the line stop during 7 days in October.** ... Manufacturers must suggest the inspection plan to each other in order to promote the inspection performance of each manufacturer. (Evidence Sogap Number 3-77)

□ Multi-party meeting on Oct. 13, 1999

160 In the meeting, the discussion was progressed with the following order: 1. market update; 2. 17" price problem; 3. demand/supply 2000; 4. Other problems; and with relevance to "market update," it is possible to know that the defendants discussed that the price of CDT in Korea is not performed as the agreed price, and arrived at the result of urging the performance in order to correct it and meanwhile reducing the output because other companies are consequently suffering damage. Also, with relevance to the price problem of 17" CDT, there is a fact that the defendants agreed to the suggestion of Chieng-Yuan Lin of Chunghwa Picture Tubes to interrogate the responsibility to a seceder and to find solution at top-level meeting after pointing out the previously agreed price was not abided by, and deciding the agreed price at top-level meeting henceforward and reviewing the market price actually by working employees.

This meeting is a CDT top-level meeting, and \* \* Lee of Samsung Electronic Tube, Mr. Lin, Mr. Charles Lu of LG Electronics, \* \* Mun of Orion, Jerry Lin, Limei Liu of Philips, Chieng-Yuan Lin, Chi-Chun Liu, Ching-Yuan Du, Chun-Mei Sie of Chunghwa Picture Tubes participated. This is confirmed by the "contact report" of Chunghwa Picture Tubes and the meeting data at the time.

There was suspicion as to whether or not **the CDT price in Korea** was the rational price [Underline with memoirs] that is agreed by each manufacturer. If not so, the actual situation will be that the CDT price of Taiwanese monitor manufacturers is **higher than the price of Korean monitor manufacturers. Mr. Lin said with a disappointed image that "I hope that the glass meeting will not be a destructive factor that induces a loss in the market competitiveness of Taiwanese manufacturers."** At the same time as the chairperson of the glass meeting, I could not acknowledge the fact that it was impossible to stabilize the original delivery quantity that was supplied to local customers in Korea by Philips.

b) CPT: Some production line must be stopped for a long period . . . . However, because of the above factors (the strong situation of Korean monitor manufacturers) that Jerry pointed out, the sales expansion is not so much admirable with a continuous disturbance situation because of an unknown low-price attack that is suggested to Taiwanese monitor manufacturers. In order to contribute to the market price stabilization, CPT has been reducing the production of 17" the maximum for quite a long time. Each manufacturer must strictly abide by the minimum price. (Evidence Sogap Number 3-78)

It was revealed that working employees must review the market price situation actually every meeting and must find the actual price when an abnormal point is appeared after arriving at the result in top level to price problem. The destroyer will be investigated thoroughly. The problem will be reviewed in the top-level meeting in order to find a solution.

Manufacturers expressed agreement to the request of president Lin. Additionally, they decided unanimously to review and discuss once again the actual price of 17" at CPT tomorrow (Oct. 14 17:00 p.m.) by director Liu of CPT, Mr. Lin or Mr. Park of LG, Mr. Ha of SDD, Mr. Lin of PH, Mr. Mun of Orion, etc.

(Evidence Sogap Number 3-78)

□ Multi-party meeting on Nov. 9, 1999<sup>31</sup>

160 The defendants exchanged information on the sales price and quantity of CDT by standard of Oct. and Nov. 1999, and confirmed the point that they enjoyed profit because of the same cartel meeting and decides to strengthen contact by holding a timely cartel meeting during the off-season, and decided to hold a meeting including golf (green meeting) at Chunghwa Picture Tubes of Taoyuan, Taiwan on Nov. 22 the same year. In the meeting, \* \* Ha, \* \* Yun of Samsung SDI, \* \* Lim, Mr. Charles Lu of LG Electronics, Milan Baran of Philips, Chi-Chun Liu, Ching-Yuan Du of Chunghwa Picture Tubes participated. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

<sup>31</sup> Samsung Electronic Tube exchanged its company name with Samsung SDI on Nov. 1999, so it is listed as Samsung SDI in the evidence data after this meeting.

Review the practice method of weekly working level meeting. Each manufacturer revealed that all had enjoyed this year's sales because of the success of glass meeting. According to this, the weekly meeting must be held in a timely manner. The next meeting was tentatively scheduled to be held on Nov. 22.

1. Schedule: Meeting in morning, green meeting in afternoon
2. Place: CPT Taoyuan plant. For the place of green meeting, CPT will hold at this time and will prepare for it.

(Evidence Sogap Number 3-80)

□ Meeting on Nov. 26, 1999

162 The meeting is a CDT top level multi-party meeting and golf meeting that was held at Taoyuan, Taiwan, and top level executives and staff in charge of CDT of Samsung SDI, LG Electronics, Orion, Philips, Chunghwa Picture Tubes participated. This is confirmed by the document that was made by Philips that conducted the meeting at the time for the confirmation of whether or not of participation to other participating companies before meeting.

□ Multi-party meeting on Dec. 22, 1999

163 In the meeting, the defendants exchanged mutually the closed business information such as the delivery quantity and the price and the current condition of inventory by standard, by customer, and discussed to refrain from the low price attack among defendants and agreed to maintain the present price. Additionally, they looked for the consent of applicable company in advance in the case of expanding the supply quantity to the existing customers of other defendants, and decided to adjust the price downward only in the case of not affecting to other member company in the case of supplying CDT to one customer by plural supplier. Such agreement was done for the purpose of the participants of the meeting to prevent the decrease of CDT price and to maintain the market share by the member company artificially by adjusting the supply quantity of adequate amount. Working-level employees of Samsung SDI, Philips, Orion, LG Electronics, Chunghwa Picture Tubes participated in the meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

1. The current condition of product delivery of several manufacturers Dec.
  - a) SDI: Additionally, it is said that Mr. Yun said that some customer such as Sampo requested to decrease the price of 15"/17" \$1 respectively recently, and said that it is hoped that LG would not suggest a low price by approaching too hurriedly.
  - b) CPT: With relevance to the problem that some customers recently repeatedly hints to us that if the price is not good then we will not order henceforward, we hope to maintain the price in a stable manner together with several manufacturers that provide product.
2. Price problem  
The result of several manufacturers: The most important thing is to make sure the current price maintaining by several manufacturers.  
 L/G: In this stage, there is no product to supply actually even though they suggest the low price of \$88. Therefore there is no concern that this may affect to the product supply of CPT and SDI before February.  
 SDI: Mr. Yun answered that CPT could not meet the demand of Compal to 15" delivery, and Mr. Ha increased the delivery quantity to Compal by obtaining the consent of CPT.  
 (Evidence Sogap Number 3-82)

## (6) Meeting among competitors in 2000

<Table 22> Outline of CDT cartel meeting in 2000<sup>32</sup>

Serial No.	Date of opening	Agreement	Participated company	Evidence data
1	Jan. 24, 2000	Price increase of 17"(\$90), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips (top-level meeting)	p.1413, p. 1416, p.1417 of Evidence Sogap Number 3-83 Evidence Sogap Number 4-27 p.2875 of evaluation report
2	Feb. 24, 2000	Sales price(15": \$67/66, 17": \$90/89), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips (top-level meeting)	p.1432, p.1434, p.1436 of Evidence Sogap Number 3-85 Evidence Sogap Number 3-84 Evidence Sogap Number 3-86 Evidence Sogap Number 4-28
3	Apr. 2000	Control and inspection of production quantity	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	Evidence Sogap Number 3-87 p.1456 of Evidence Sogap Number 3-88
4	May 26, 2000	Sales price(15": \$67, 17": \$88, 19": the present price), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips (top-level meeting)	p.1473, p.1475 of Evidence Sogap Number 3-89 Evidence Sogap Number 3-90 p.2888 of Evidence Sogap Number 4-29
5	June 20, 2000	Sales price(14": \$54, increase of \$2, 15": \$67, increase of \$2, 17": The present price), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips (top-level meeting)	p.1503, p.1505, p.1507 of Evidence Sogap Number 3-92 p.2893 of Evidence Sogap Number 4-30
6	June 28, 2000	Confirm whether or not the performance of price increase	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p.1516 of Evidence Sogap Number 3-93
7	July 13, 2000	Price increase in Korea market, plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p.1537 of Evidence Sogap Number 3-95 Evidence Sogap Number 4-32~3

<sup>32</sup> In the CDT cartel meeting by month from 2000 to April 2001 hereinafter, the agreement is a thing by the meeting that only 5 companies of Chunghwa Picture Tubes, SDI, LG, Orion, Philips participated, and do not write it on the resolution on duplication because they are the same participated companies and participants.

8	Sep. 21, 2000	Estimating the size of CDT market with comparison to LCD, plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p.1553~4 of Evidence Sogap Number 3-96 Evidence Sogap Number 3-97 Evidence Sogap Number 4-34
9	Sep. 27, 2000	Plan of operation stop and inspection method	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p.1573 of Evidence Sogap Number 3-98
10	Oct. 25, 2000	Setting of the bottom price of sales(15": \$66, 17":\$85), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips (Management level meeting)	p.1588, p.1592, p.1593 of Evidence Sogap Number 3-99 Evidence Sogap Number 3-100~2 p.2934 of Evidence Sogap Number 4-35 p.354 of Evidence Sogap Number 2-2

□ Multi-party meeting on Jan. 24, 2000

164 In the meeting, \* Kim of Samsung SDI requested that all of the participants should abide by the agreement and suggested also to Matsushita, Hitachi to persuade the abidance of agreement, and the defendants collected the price increase requests that was received from the glass suppliers and then agreed to maintain the basic price of 17" CDT with \$90 and agreed to maintain also the sales price targeting main customer with \$90 from Mar.

Mr. Inn Kim requested to show the faith of the main 5 companies by abiding by the agreed price. Japanese manufacturers are to be cooperated to the price maintaining naturally through this. Mr. Inn Kim requested that anyone who visits Malaysia should seek the opportunity to have conversation with managers who are the staff in charge of sales of MEC Malaysia by obtaining a schedule. He has a schedule to have additional conversation with MEC members on Mar. by opening a meeting again. Additionally, Me. Choi requested to chairperson to get the meeting schedule with HTC top-level management. (Evidence Sogap Number 3-83)

Working employees suggested adjusting the basic price of 17" tube to \$89 downward. But, they consented to maintain the lowest price of \$90 as the idea of president Lin after discussion among meeting participants. It is scheduled that the price that is to be suggested to main customers is to be increased to \$90 because of the increase of glass price from Mar.

(Evidence Sogap Number 3-83)

165 Additionally, during Feb. 2000, with relevance to the production reduction days of 15", 17", it was agreed to stop production with 9 days of Chunghwa Picture Tubes, seven days of Samsung SDI, Orion, Philips. Finally, it was decided to hold the schedule of the next multi-party meeting at the office of Korea Orion on Feb. 24 at 2:00 p.m. the same year and decided to get golf meeting on Mar. 25.

**All manufacturers agreed to reduce the production of 15"/17" continuously in February.**

Chunghwa Picture Tubes decided to put nine days of production reduction period, and all of SDI/OEC/PH **decided to plan production reduction period of at least seven days.**

Date of the next CDT CSM: Feb. 24 02:00 PM (Thursday). Place: OEC office, Seoul. Agreed temporarily to hold a green meeting in Seoul on Mar. 25.

(Evidence Sogap Number 3-83)

## &lt;Samsung SDI&gt;

LG: 4 days' closing (New Year) -> five days 17"/15"

Orion: 4 days (New Year) -> seven days okay

S/S: Seven days (5 days)

(Evidence Sogap Number 4-27)

166 The meeting is a top-level meeting and \* \* Kim, \* \* Kim, \* \* Ha, \* \* Ha of Samsung SDI, \* \* Choi, \* \* Lee, \* \* Go, \* \* Lim of LG Electronics, \* \* Jo, \* \* Lee, \* \* Lee, \* \* Mun, \* \* O of Orion, Jim Smith, Jerry Lin, Limay Liu of Philips, Chieng-Yuan Lin, Chi-Chun Liu, Wen-Chun Cheng, Ching-Yuan Du of Chunghwa Picture Tubes participated. This is confirmed by the "visit report" of Chunghwa Picture Tubes and the business diary of \* \* Lee of Samsung SDI.

□ Multi-party meeting on Feb. 24, 2000

167 The defendants opened the information of first-quarter production quantity of 14", 15", 17", 19" CDT the same year and confirmed by making it with a table whether or not the adequate supply quantity is maintained. It is also a fact that Chunghwa Picture Tubes and Philips, among the defendants, raised discontent about the fact that they were being pressured into a price decrease by Taiwanese monitor companies based on the fact that Korean companies such as Samsung SDI, Orion, LG Electronics, etc., supplied CDT to Korean monitor manufacturers at a lower price than was agreed. It is possible to know from this that the transaction price in Korea, which would mutually affect other defendants as well as the sales quantity and sales price worldwide, including Korea, was the target of agreement of the same cartel. Additionally, it is possible to know that the meeting among Korean CDT manufacturers was continued in Korea, also agreed to deliver the meeting result that was held in Korea to the CDT working-level meeting of Taiwan for the effective agreement performance. Also, the defendants agreed to decide the price of Mar., 2000 with 66~67 dollars for 15", 89~90 dollars for 17" after the end of the discussion and, with relevance to the days of operation stop, agreed to do with 10 days for 15", five days for 17" in March 2000. Finally, agreed to hold the next meeting including golf meeting on Mar. 25 of the same year in Seoul with the hosting of Samsung SDI.



PH and CPT referred that Korean monitor manufacturers are in better condition than Taiwanese manufacturers, and Taiwanese customers raised discontent that Korean companies had more competitiveness than Taiwanese manufacturers because they receive a special support from Korean CDT manufacturer. Jerry insisted that PH had no sales in Korea. (The original production quantity was approximately 140k/m.) (Evidence Sogap Number 3-85)

Additionally, CSM of Korea side working employee is opening from time to time. The employees of PH and CPT also can get invitation to participate regularly in the case of necessary. In order to report at the working employee level meeting that is held in Taiwan, the plan to have Korean manufacturers deliver the related market information to the employee who is in Taiwan was decided later.

(Evidence Sogap Number 3-85)

After the end of an extensive discussion among the meeting participants, the price of March and message were decided to be done as follows: 15" 67/66 USD, 17" 90/89 USD

Reduction of operation days: On Mar., 2000, the meeting participants decided as follows:

17" five days, 15" 10 days

(Evidence Sogap Number 3-85)

Green meeting was decided to be held in Seoul on Mar. 25 (Saturday) by SDI.

AM 8:30-11:30: High-level management meeting

AM 12:00: Start of green meeting

(Evidence Sogap Number 3-85)

168 The meeting is a top-level CDT multi-party meeting that was held in Korea, and \* Kim, \* Kim, \* Lee of Samsung SDI, S. Y. Choi, S. K. Lee (\* Lee), K. Y. Go (\* Go), Mr. Lim (\* Lim) of LG Electronics, \* Jo, J. H. Mun (\* Mun), S. G. O (\* O), Jimmy Kim of Orion, Jim Smith, Jerry Lin, J. K. Park of Philips, Chi-Chun Liu, Ching-Yuan Du of Chunghwa Picture Tubes participated. This is confirmed by the "visit report" that was made by Ching-Yuan Du of Chunghwa Picture Tubes, meeting data that was distributed at the time of meeting, the 'application form of leaving a country' of participants of Chunghwa Picture Tubes, the information of business diary of \* Lee of Samsung SDI, etc.

□ Control inspection of production quantity on April, 2000

169 It is a fact that Samsung SDI, LG Electronics, Orion, Philips and Chunghwa Picture Tubes shared the production control and inspection plan of 15" and 17" CDT at the each company's plant worldwide by making a table by date, and agreed to confirm the operation stop by having an employee of each company personally visit the other party's production facility. This is confirmed by the internal approval document and the table of control and inspection of Chunghwa Picture Tubes, which dispatched its employee to confirm the stop of the Samsung SDI production line in Shenzhen, China.

## ◆ Plan of 15" CMT production control &amp; inspection –April, 2000 (X10)

	CPT X 6		SDD X 5.5		LG X 4		ORION X 2.75		PHILIPS X 5	
	Place	Inspection	Place	Inspection	Place	Inspection	Place	Inspection	Place	Inspection
Sat 4/1	CPTT #1 #2 CPTY #3 CPTM #8 CPTM #2		Suwon #4 Pusan #3 #6 M'sia #6		Changwon #H3 #5 Wales #1		Kumi 09 BSA Mex #2		Chupei #3, 4, 5 (Relocated to China)	
Sun 4/2	CPTT #1 #2 CPTY #3 CPTM #8 CPTF #2		Suwon #4 Pusan #3 #6 M'sia #6		Kumi #G1 Changwon #H3 #5 Wales #1		Kumi 09 BSA Mex #2		Chupei #3, 4, 5 (Relocated to China)	
Mon 4/3	CPTT #1 #2 CPTY #3 CPTM #8 CPTF #2		Suwon #4 Pusan #3 #6		ChangwonH3 H3 0.5 days				Chupei #3, 4, 5 (Relocated to China)	
Tue 4/4	CPTT #1 #2 CPTY #3 CPTM #8		Pusan #3 #6						Chupei #3, 4, 5 (Relocated to China)	
Wed 4/5	CPTT #2 CPTY #3 CPTM #8		Pusan #3 #6						Chupei #3, 4, 5 (Relocated to China)	
Thur 4/6	CPTT #2 CPTY #3 CPTM #8		Pusan #3 #6						Chupei #3, 4, 5 (Relocated to China)	
Fri 4/7	CPTT #2 CPTY #3 CPTM #8								Chupei #3, 4, 5 (Relocated to China)	
Sat 4/8	CPTT #2 CPTY #3 CPTM #8		[Illegible] #2	PH			Kumi 09 BSA Mex #2		Chupei #3, 4, 5 (Relocated to China)	
Sun 4/9	CPTT #2 CPTY #3 CPTM #8		Suwon #4 Pusan #3 #6 T (illegible) #2	PH	Kumi #G1 #G2 Changwon #H3 #5		Kumi 09 Mex #2		Chupei #3, 4, 5 (Relocated to China)	
Mon 4/10	CPTY #3 CPTM #8		Pusan #3 #6 T (illegible) #2	PH	ChangwonH3 /H5 0.5 days				Chupei #3, 4, 5 (Relocated to China)	

## □ Multi-party meeting on May 26, 2000

170 The defendants agreed to the sales price as the following and decided to notice the price increase to customers immediately, and the defendants agreed to stop the production line of 15" and 17" CDT at least over six days for the production quantity reduction and decided to submit the plan until May 30 the same year. The defendants decided to limit the number of participant to two or three people per each company for the way to maintain the confidential of the meeting, and agreed to hold the next meeting in Malaysia on June 20 the same year including golf meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes and the information that was written with hand on the hotel memo pad of Shanghai international convention center.

With relevance to the price problem, there was a review to the market condition and the price of Japanese manufacturer. The participants decided as the following after discussion.

Date of enforcement: July 1, 2000

Guideline of price: 15" MPRII: \$67 (Core item: \$66), 17" MPRII: \$88 (Core item: \$87)

There was a decision that the price of 19" is necessary to be maintained with the previous agreed price.

All manufacturers will deliver the agreed price to each customer immediately in order to gain time and to give lead time to customers for a smooth start after July 1.

(Evidence Sogap Number 3-89)

The participants decided to follow the suggestion of director Liu at the end of discussion.

-17" and 15": At least six days respectively; submittal of the plan by May 30

(Evidence Sogap Number 3-89)

- 1) Jerry requested to all participants not to make a minutes but to keep only the related marketing investigation data because the information of CSM meeting is frequently leaked to outside . . . . All the participating manufacturers agreed to reduce the number of participant from four people to two or three people after discussion.
- 2) Resolution that green meeting is to be held in Malaysia on June 20 (Tuesday) was passed. The meeting schedule is as the following.  
 07:30-12:00 Golf game (Limited to four people per each manufacturer)  
 12:00-13:00 Lunch (Brief lunch at Jin Ma Palace)  
 13:00-14:30 Report of SDI marketing investigation  
 14:30-17:30 All the participating president shall visit CPTM that president Lin hosts  
 CDT management meeting  
 17:30-18:00 Dinner (brief dinner at Jin Ma Palace)  
 18:00-21:00 CDT management meeting (Evidence Sogap Number 3-89)

171 On the other hand, the defendants agreed to increase the price by two dollars for 14" CDT, 3 dollars for 15" CDT respectively and to do 87~88 dollars for the sales price for 17" CDT. Additionally, with relevance to the notice of price increase, agreed to increase to customers until the late May and to decide the production quantity reduction plan until the following week. This is confirmed by the business diary of \* \* Lee of Samsung SDI.

Notice of the price increase until the late May capacity control next week confirm

Price: +2\$ 14", +3\$ 15", 17": 88\$~87\$

Day off: Philips seven days, LG 4 days, Orion & days, Chunghwa six days

(Evidence Sogap Number 4-29)

□ Multi-party meeting on June 20, 2000

172 The defendants checked mutually whether or not of the possibility of price increase through the sales quantity and increase or decrease rate by each company of 14", 15", 17", 19" CDT, and LG Electronics confirmed that it had noticed the price increase on May including the customers within the Group, and Philips confirmed that it had sent the price-increase letter to the customer. Additionally, Samsung SDI also revealed that the order condition became good because Samsung Electronics demanded a quick delivery because of the price increase and referred that the price increase will be successful in the case of not attempting to expand the market share among the participating company. Also, the defendants agreed to the guideline of CDT price by standard, and decided to submit the plan until June 28 the same year after deciding the days of production stop on July, 2000 at least six days in the case of 15", 17" CDT, and agreed to hold the next management level meeting on July 13 the same year by LG Electronics. This is confirmed by the "visit report" of Chunghwa Picture Tubes and the business diary of \* \* Lee of Samsung SDI.

LG notified the price increase of May to customers (Customers local and within Group).

PH sent a letter that informs the price increase to customers already. On the base of the negotiation condition of customers, there may be no problem to increase the price of 14". There is also no severe opposition to 15" . . . . In the case of 17", the situation is not as optimistic.

SDI explained that the order of June is a little better than reservation because SEC requested a quick delivery last week because of the problem of price increase mainly. Customers (Including Korean companies) received notice already about price increase, and [SDI] believes that the price increase will be successful surely unless to attempt to touch other company's customers or to attempt to expand the market share, and when it is firm in regard to the price increase.

(Evidence Sogap Number 3-92)

The meeting participants decided as the following after considering the market condition and the current and actual enforcement price, the acceptability of customers with relevance to price adjustment, the original market share balance:

**(1) Guideline of 14"/15" price:**

14" MPRII: \$54 (Core quantity:\$53) and increase at least \$20/pcs.

15" MPRII \$67 (Core quantity:\$66) and increase at least \$20/pcs.

**Date of effect generation: July 1, 2000**

**(2) Price of 17" normal tube:** Maintain the present price. The originally agreed price is delayed by one month and will be enforced from Aug. 1.

(Evidence Sogap Number 3-92)

**Reduction of business day: July 2000**

All of LG, PH, CPT requested the production stop of 15"/17" during six days. SDI suggested five days. OEC hoped five days for 15", seven days for 17". The meeting participants decided as the following after discussion: At least six days for 17"/15" respectively, -submit the plan until June 28.

Additionally, the manager-level meeting would in Seoul on July 13 (Tuesday), and it was decided that LG would prepare.

(Evidence Sogap Number 3-92)

173 The meeting participants agreed to apply the price of 14", 15" CDT with the price that was agreed on July, 2007 and to delay the price of 17" one month by saying, "Let's abide by the agreement and delay the time of increase and do not trust the word of customer." This is confirmed by the business diary and statement of \* \* Lee of Samsung SDI.

SDI: Keep agreement --> delay price increase --> do not trust

14"/15" July and agreed price, 17" delay of one month

➔ Monitoring system: July/Aug.

(Evidence Sogap Number 4-30)

□ Multi-party meeting on June 28, 2000

174 The defendants checked mutually whether or not of customer notice of the agreed price increase and checked the response of customer with cross. It is possible to know from such fact that the purpose of the meeting was to draw the agreed price after checking whether or not of the price increase on the basis of the information on market demand and supply, which was not to be opened to the public, and to make the performance of agreement to be come true effectively by doing mutual confirmation of the competitor supply price that the customer suggests while also urgently requesting performance from the companies that were delaying the performance of the agreement.

This is confirmed by the "visit report" of Chunghwa Picture Tubes.

According to Mr. Ha of SDI, ...all of Compal/Delta/KFC/ADI argued that the estimated value of LG is lower. Because of the high price of SDI the above customers canceled the order of SDI.

Mr. Lim of LG made it clear that the total order quantity of LG on June is the same with the numerical value (15" – 682k, 17" – 711k, 19" - 175k) that was opened to the public in the meeting of last week. **LG has confidence that SDI was competing with a low price and so LG lost its order, and raised an objection . . . . LG did not win a contract clearly because of a low price.**

According to the PH sales information of China, SDI Shenzhen was hesitating and did not show any movement of increasing domestic customer price. **Mr. Ha was supported to do investigation and checking work, and was requested to press for the price increase.**

(Evidence Sogap Number 3-93)

□ Multi-party meeting on July 13, 2000

175 In the meeting, with relevance to the Korean market, the participant from Philips discussed with other participants the matters related to the price increase that was requested to Samsung Electronics and Daewoo Electronics, the possibility of price increase through a control of supply quantity, etc. This is confirmed by the "visit report" of Chunghwa Picture Tubes, "meeting preparation data on July 13" that was made just before the meeting opening in the business headquarters of Samsung SDI Digital Display, the meeting data that was distributed at the time of meeting.

**According to each resolution of the last meeting, PH and Hwafei will attempt to adjust the price with \$53 (itc/cif) from Aug. 1. Mr. Park of PH said that he demanded the price increase to SEC and Daewoo respectively but had not yet received a definite answer.... The recent supply quantity to SEC/Daewoo is 20-25k/m respectively, and the total sum is about 50k/m. SDI and OEC answered that there may be no other supplier that can supply the above 50k to themselves. PH can ease suppression and can increase the price.**

(Evidence Sogap Number 3-95)

□ Multi-party meeting on Sept. 21, 2000

176 The defendants collected and shared the information that is related to the demand and supply condition of CDT (14", 15", 17", 19") by standard in the worldwide market and sales trend and discussed the sales quantity and setting plan of sales price henceforward. Additionally, one can conclude, according to the substitution of CDT monitor with TFT-LCD, that Samsung SDI explained that price plan of Samsung Electronics could be acceptable to the participants, and agreed to set the CDT price with the level that can have competitiveness according to the price change of TFT-LCD.

177 One can conclude from this that the purpose of each company was not to set the production and price by the independent judgment but to adjust the supply quantity jointly and artificially and to adjust also the sales price jointly according to the supply expansion condition of alternative product. The defendants decided to stop the production line of 15", 17" CDT during 14 days on Oct., 2000, and agreed to hold the next meeting in Seoul on the afternoon of Oct. 25 for the CDT meeting and on the morning of Oct. 26 for the green meeting, meaning a golf meeting. This is confirmed by the "visit report" of Chunghwa Picture Tubes as well as the meeting data and the business diary of \* \* Lee of Samsung SDI.

(C) Rational price and TFT substitution trend of 17" flat tube:

The following is a prospect data that \* \* Kim of SDI has provided with relevance to the competitiveness of 17" flat monitor and the market price expected to 15" TFT LCD:

15" TFT monitor			17" CDT flat monitor		
Item	Present	Prospect	Item	Present	Prospect
Module cost	\$450~480	\$300	CDT cost	\$110	\$90
Other cost	\$100	\$90	Other cost	\$80	\$75
FOB price	\$550~580	\$390	FOB price	\$190	\$165
Whole price (FOB*1.2~1.3)	\$660~725	\$470	Whole price (FOB*1.3~1.4)	\$247~260	\$214~231
Retail price	\$799	\$499	Retail price	\$249~279	\$216~250

Currently \$799 is higher about 3.2 times than \$249 with comparison to the retail price. If we use 2.5 as a factor instead of it, and **the price of 15" TFT monitor is \$499, then the price of 17" CDT monitor should be  $\$499/2.5 = \$199$** . Therefore, SEC judges that the price of 17" flat tube should be low than \$80, and if not so nobody will purchase it . . . . **Therefore, SEC judges that \$350 is the ultimate target price to the monitor . . . . However, if the price of TFT is to be decreased, then the price of CDT should also be decreased in order to maintain competitiveness.** (Evidence Sogap Number 3-96)

Reduction of operation days: **Oct [as the writing of the original] 2000**

**Resolution: 14 days stop of 15"/17" production line** (17" 8 days, 15" 6 days, 15"/17": seven days respectively)

Resolution: The next meeting shall be held in Seoul, Korea.

Oct. 25 PM Management level meeting (AM CPT meeting), Oct. 26 AM Green meeting

(Evidence Sogap Number 3-96)

□ Multi-party meeting on Sept. 27, 2000

178 In the meeting, the defendants agreed to make a stop plan of 15", 17" production line that is in the plant of the whole world during Oct. 2000, and to notice the inspection method to the other party two days prior to the inspection day. Additionally, decided to hold the next meeting at the Taiwanese Taoyuan office of Chunghwa Picture Tubes from 2:00 p.m. on Oct. 4 of the same year. This is confirmed by the "visit report" that was made by Pang-Yi Lin of Chunghwa Picture Tubes.



Plan of line stop and inspection that each manufacturer reported is annexed. Two days before the inspection day, it was agreed that the manufacturers must provide notice to the other party and to the one that would visit/sponsor.

Mr. Ha said that he hopes that top level management of each manufacturer can participate in the next meeting to discuss the price of Oct. The date of the next meeting is 2:00 p.m., Oct. 4 (3) at the CPT Taoyuan plant.

(Evidence Sogap Number 3-98)

□ Multi-party meeting on Oct. 25, 2000

179 During the discussion of the agreement of the previous meeting by the defendants, the participant of Chunghwa Picture Tubes raised an objection at the point that the operation stop was not performed as the agreement that was agreed at the Wales plant, England, and Mr. Choi of LG Electronics answered that he would reply after confirmation, and the defendants agreed to control the supply and stabilize the price by cooperating to the price decrease request of customers. Additionally, the defendants, in order to prevent the nonperformance of the agreement, agreed to set the price guideline after submitting the minimum price, the average price that were applied to 15", 17" CDT product by each company and to produce a table for comparison. They agreed that there was a need to more strictly control the production quantity for the stabilization of price of Nov. 2000 and decided to stop the operation of production line over nine days. Additionally, agreed to hold the next meeting, CDT multi-party meeting at Chunghwa Picture Tubes Malaysia from 9:00 a.m. on Nov. 29 of the same year. This is confirmed by the visit report" and meeting data of Chunghwa Picture Tubes, the application form of leaving a country and a statement of accounts for business trip, a receipt for hotel accommodations at the time of business trip in Korea of the participant of Chunghwa Picture Tubes, the information that is written in the business diary and statement of \* \* Lee of Samsung SDI, etc.

(A) Checking after the last meeting:

Inspection control: **CPT looked back on the inspection to the condition of production stop at the LG Wales plant.** CPT employees found that LG had not performed the production stop according to the original plan. Mr. Choi of LG answered that he would answer after their inspection and LG had stopped the production over eight days due to the negative condition of obtaining orders in that month.

**The five main companies must control the balance of demand and supply through close cooperation in order to maintain stable pricing.**

(Evidence Sogap Number 3-99)

## (C) Price guideline:

All manufacturers anonymously provided the current prices of 15"/17" as follows:

	Lowest price		Average price		Price guideline	
	15"	17"	15"	17"	15"	17"
1	\$63	\$82	\$64	\$83	\$64	\$83
2	\$63	\$83	\$64	\$84	\$63	\$83
3	\$64	\$84	\$65	\$85	\$63-64	\$83-84
4	\$63	\$82	\$64	\$83	\$64	\$83
5	\$62	\$81	\$64	\$83	\$64	\$83
Average	\$63	\$82.5	\$64.2	\$83.6		
Lowest price	\$62	\$81	\$64	\$83	\$63	\$83
Japan	\$58	\$76	\$60	\$81		

After an extended discussion, **all the participants agreed that the price must not decreased more on the original price guideline in order to prevent a continuous price decrease: 15" - \$66, 17" - \$85.** Until now the price decrease of two dollars each could be permitted. [Written with memoirs] **To the main customer (key account), everybody agreed to the point that increasing the price discount was inappropriate.**

(Evidence Sogap Number 3-99)

Answer 49) It progressed with a similar method as that of the previous management-level meeting in the meeting too. Peculiarity was, at the time of setting price guideline, that **suggested to submit the current sales price by model with a secret ballot after writing it by one person among the participants who judged that the cheating of participants is to be a disturbance to the effective price agreement and its performance meanwhile and drew the "lowest price – average price – guideline" on the basis of the result.** As a guideline by model, it was agreed at \$66 for 15", \$85 for 17". Additionally, the number of operation stop days of Nov. 2000 was agreed at nine.

(Evidence Sogap Number 2-2)

Resolution: The market demand of Nov. is worse than that of Oct., and for the maintenance of price stability there is a need to control the production quantity more strictly. Therefore, **the days of production stop to the production line of 15"/17" must be increased to nine days from seven days on Oct.**

The next meeting is scheduled to be held at CPTM: 3:00 p.m. Nov. 28 – CPT management meeting, Nov. 29 a.m. )  
(:00 CDT management meeting

(Evidence Sogap Number 3-99)

## (7) Meeting among competitors on 2001

<Table 23> Outline of CDT cartel meeting, 2001

Serial No.	Date of opening	Agreement	Participated company	Evidence data
1	Feb. 23, 2001	Price guideline by each company (15": 59±2, 17": 76±2, Flat: 91±3, 19": 108±3), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p. 2940 of Evidence Sogap Number 4-36
2	Mar. 19, 2001	Price guideline by each company, plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p. 1643, p. 1645 of Evidence Sogap Number 3-103 Evidence Sogap Number 4-37
3	Mar.28, 2001	Confirmation of current price, exchange of information	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p. 1656 of Evidence Sogap Number 3-104
4	Apr. 19, 2001	Price guideline by model (14": 47±1, 15": 57±2, 17": 74±2, 19": 100±3), plan of operation stop	Chunghwa Picture Tubes, SDI, LG, Orion, Philips	p. 1666 of Evidence Sogap Number 3-105 Evidence Sogap Number 4-38
5	June 27, 2001	Refraining from selling with low price, price guideline by model, plan of operation stop	Chunghwa Picture Tubes, SDI, LPD, Orion (Management level meeting)	p. 1682, p. 1685 of Evidence Sogap Number 3-106 Evidence Sogap Number 3-107 Evidence Sogap Number 4-39

6	July 24, 2001	Price guideline by model, plan of operation stop	Chunghwa Picture Tubes, SDI, LPD, Orion	p. 1721 of Evidence Sogap Number 3-108 Evidence Sogap Number 4-40 Evidence Sogap Number 2-2 Answer 50)
7	Aug. 13, 2001	Refraining from selling with low price	Chunghwa Picture Tubes, SDI, LPD, Orion	p. 1731 of Evidence Sogap Number 3-109
8	Oct. 15, 2001	Price guideline by model, plan of production line stop	Chunghwa Picture Tubes, SDI, LPD, Orion	p. 1731, p. 1739, p. 1741, p. 1744 of Evidence Sogap Number 4-41
9	Oct. 23, 2001	Price increase (Oct. 1: \$10, Nov.: \$15, Dec.: \$5), refraining from selling with low price	Chunghwa Picture Tubes, SDI, LPD (Top level meeting)	p. 1731, p. 1739, p. 1741, p. 1744 of Evidence Sogap Number 3-110
10	Dec. 17, 2001	Price guideline by model (15": 44, 17": 58, 17" Flat: 67, 19": 85, 19" Flat: 100)	Chunghwa Picture Tubes, SDI, LPD, Orion	p. 1759 of Evidence Sogap Number 3-111 p. 2970 of Evidence Sogap Number 4-42
11	Dec. 28, 2001	Sales price by model, price difference by detailed specification	Chunghwa Picture Tubes, SDI, LPD	p. 1768~1770 of Evidence Sogap Number 3-112

□ Multi-party meeting on Feb. 23, 2001

180 It is a fact that the defendants set the price guideline after comparing the application price of 15", 17", 19" CDT product by each company at the time, and agreed to stop the operation of production line during 12 days on Mar. the same year. This is confirmed by the business diary of \* \* Lee of Samsung SDI.

Price Guide Line						
	Orion	SDI	LG	CPT	Philips	
<u>15"</u>	60	59	57	57	57	<u>59±2</u>
<u>17"</u>	76	75	75	74	75	<u>76±2</u>
<u>Flat</u>	-	15	10 (?)	15	15 → 13	<u>91±3</u>
<u>19" Con</u>	-	*108	108	103	(105±5) S/L	<u>108±3</u>
Capability control						
Chunghwa Picture Tubes: 15 days, LG: 14 days, Philips: 14 days, Orion: 6~7 days, SDI: 10 days						
12 days (Circle) (Evidence Sogap Number 4-36)						

181 The defendants exchanged the sales result of Feb. and the estimation of Mar., 2001, and exchanged the information of production change plan of each company. It is possible to know the relationship of Samsung SDI and Samsung Electronics from the statement of the participant of Samsung SDI. That is, it is grasped that Samsung Electronics was being provided 40% from CDT manufacturer besides Samsung SDI, and in the case of not keeping the agreement of CDT multi-party meeting, Samsung SDI may take away the quantity that is provided to Samsung Electronics.

In the meeting, the defendants drew the agreed price by putting together the opinion of each company to the price of 14", 15", 17", 19" CDT product on Apr. 2000, and agreed the days of operation stop of the production line during April 2001 with 14 days.

182 Additionally, the defendants decided to hold the next meeting in Shanghai, China on Apr. 19 the same year, and decided to hold green meeting, that is a meeting for golf, on Apr. 20. This is confirmed by the "visit report" of Chunghwa Picture Tubes and the information that is stated in the business diary of \* Lee of Samsung SDI.

Currently, SDI is delivering 60% to SEC, and Taiwanese companies are occupying 20%, and the other Korean companies and the companies of Asia Pacific region are occupying 20%. **SDI referred that the internal transaction quantity became o actually because TSB sold 15" Minineck to SEC with a low price.**

(Evidence Sogap Number 3-103)

**(B) New price guideline of Apr.**

Opinion and resolution of each manufacturer to the price decision for Apr. is as follows:

	CPT	LG	Orion	PH	SDI	Conclusion
14"	47±1	--	47±1	47±1	48±1	47±1
15"	58±2	57±2	57±2	58±2	58±2	57±1
17"	75±2	75±2	75±2	75±2	75±2	75±2
17" RF	89±2	89±2	89±2	--	89±2	89±2
19" 85khz	101±3	100±3	101±3	103±3	101±3	100±3
19" 95khz	106±3	105±3	106±3	108±3	106±3	105±3

**(E) Days of line stop of Apr.**

Each manufacturer reported to the planned days of operation stop: CPT – 14 days, Philips – 14 days, LG – 14 days, SDI – 12 days. It was finally decided to make the days of operation stop during one month of Apr. to be 14 days.

(Evidence Sogap Number 3-103)

□ Multi-party meeting on Mar. 28, 2001

183 The defendants exchanged the information that is related to the sales quantity of 14", 15", 17", 19" product and the customer response in market. Especially, there is a fact that other participants requested for the participants of Samsung SDI to report and correct to the thing that Samsung Electronics and Hansol Electronics, the customers of Korea suggested a low estimated value. This is confirmed in the "visit report" of Chunghwa Picture Tubes.

SEC suggested a low price of \$111 for 17" at the international information communication fair, and Hansol suggested an estimated value of \$108 for 17" in order to obtain order. **With relevance to the irrational pricing** such as that SEC suggests \$80 to 17" RF tube for the obtaining order, **all companies want that SDI Taipei should report to headquarters the above act that disturbs the market practices.**

(Evidence Sogap Number 3-104)

□ Multi-party meeting on Apr. 19, 2001

184 The defendants exchanged the information that is related to the changes of sales quantity, the sales price by standard and the trend of customers, the present condition of production line change before the opening of meeting. Additionally, agreed to the new guideline of May 2001 as follows and decided the days of operation stop of production line during May for 14 days. And, they decided to hold the next meeting at Chunghwa Picture Tubes of Taoyuan of Taiwan from May 22 the same year AM 09. The above information is the same with the information that was stated in the business diary of \* \* Lee of Samsung SDI. This is confirmed by the 'interview report' that was made by Ling-Yun Cheng of Chunghwa Picture Tubes and the information of the business diary of \* \* Lee of Samsung SDI.

**(B) New price guideline:**

All manufacturers....were wanting to put every effort to maintain the price in order to avoid a condition of big scale adjustment that can disturb market. **Manufacturers decided to the price of May as follows.**

	Result
14"	47±1
15"	57±2
17"	74±2
17" RF	87±2
19" 85khz	100±3
19" 95khz	105±3

**(E) Days of line closing on May**

Manufacturers **decided to the days of line closing on May with 14 days.**

**(F) AOB:**

It was decided to hold the next meeting at CPT of Taoyuan. (May 22 9:00 AM) CPT will preside the meeting.

(Evidence Sogap Number 3-105)

□ Multi-party meeting on June 27, 2001

185 The defendants exchanged information to the present condition of CDT sales before the opening of meeting. The participant of LG Electronics expressed complaint to the point that Orion intercepted the CDT order of its own company's inside with a low price, and Chi-Chun Liu (chairperson) of Chunghwa Picture Tubes requested to refrain from an aggressive act because such act only expands the loss of member companies.

186 Additionally, the defendants agreed with the sales price guideline of 14", 15", 17", 19" CDT and the days of production line stop (14 days) on July, 2001, and agreed to hold a meeting at Taiwan Samsung SDI on June 29 the same year for the inspection of production line stop, and agreed to hold the next meeting at Taiwan LPD on July 24 the same year.

Each company agreed with the regulation that the plan of stop by specific production plant, including Suwon, Pusan, Gumi of Korea, and inspection are to be implemented always before 3 days after notice. \* Kim, \* \* Park, \* \* Lee of Samsung SDI, \* \* Choi, \* \* Lee, \* \* Go of LPD<sup>33</sup>, \* \* Jo, \* \* Gang of Orion, Chi-Chun Liu, Sheng-Jen Yang, Wen-Chun Cheng, Ling-Yun Cheng of Chunghwa Picture Tubes were participated in the meeting. This meeting is confirmed by the "visit report" of Chunghwa Picture Tubes, the meeting data that was distributed at the time of meeting, the 'business diary' of \* \* Lee of Samsung SDI.

LG expressed a strong complaint to Orion to the point that Orion intercepted the order from LG monitor by using the low price of \$58 in 17". Orion denied such suspicion and argued that Orion has concrete evidence that LG suggested estimated value to Taiwanese customers with \$61. VP Liu, chairperson said that in the case that market is poor, to decrease the price to attract sales does not increase sales, and this only expands each company's loss. .. It is hopes that Orion should refrain from aggressive act of intercepting order from LG.

(Evidence Sogap Number 3-106)

(D) Price guideline

Several companies agreed to adopt a numerical value that is close to the present condition as a guideline to price estimate.

14"	\$43
15"	\$49
17"	\$65
17" Flat	\$78
19" 85khz	\$90
19" 95khz	\$95

(E) Days of Jul(Quoting the original word as it is) line stop

Several companies agreed to maintain 14 days of line stop on July, and several manufacturers will hold a meeting at SDI Taipei on June 29 PM 02:00 in order to confirm and investigate the implementation of plan.

(F) The next meeting will be held at LG Philips Taipei. (July 24, 13:30)

(Evidence Sogap Number 3-106)

□ Multi-party meeting on July 24, 2001

187 The defendants agreed to do the days of CDT production line stop during Aug. 2001 with 15 days and set the standard price of 14", 15", 17", 19" CDT. Additionally, agreed to hold the next meeting at the office of Korean Samsung SDI from Aug. 21 PM 01:00 the same year. \* \* Kim, \* \* Park, \* \* Lee of Samsung SDI, \* \* Choi, \* \* Lee, \* \* Go of LPD<sup>34</sup>, \* \* Jo, \* \* Gang of Orion, Chi-Chun Liu, Sheng-Jen Yang, Wen-Chun Cheng, Ling-Yun Cheng were participated in the meeting, and held CDT multi-party meeting at the LPD office of Taipei, Taiwan according to the agreement of previous meeting. This is confirmed by the "visit report" that was made by Ling-Yun Cheng of Chunghwa Picture Tubes and the information of business diary and statement of \* \* Lee of Samsung SDI.

<sup>33</sup> LG Electronics and Philips combined the CRT business part of each company as of July 1, 2001 and established a joint venture of LG Philips Display(LPD), and after the time, the executives and staff in charge of CDT sales and business of LG Electronics and Philips were participated in the cartel meeting on behalf of LPD.

<sup>34</sup> LG Electronics and Philips Electronics established LPD (LG Philips Displays Korea Co., Ltd) on June 11, 2001 by the LPD Holdings that was established as a joint venture of CRT business part of each company, and acquired CRT business part from LG Electronics on June 30, 2001 and from Philips Electronics on July 1, 2001 by transfer. After this time, the executives and staff in charge of CRT sales and business of LG Electronics and Philips were participated in the cartel meeting on behalf of LPD.



**(C) Days of production stop during Aug.**

Several manufacturers decided to do the days of production stop during Aug. for the adjustment of production quantity instead of implementing plant closing.

**(D) Price guideline: Manufacturers agreed to do the standard price as follows.**

14"	\$42
15"	\$48
17"	\$64
17" Flat	\$76
19" 85khz	\$87
19" 95khz	\$92

(E) AOB. The next meeting is decided to be held at SDI, Korea. (Aug. 21 PM 01:00)

(Evidence Sogap Number 3-108)

□ Multi-party meeting on Aug. 13, 2001

188 Chunghwa Picture Tubes requested to Samsung SDI to stop to supply with a low price in the meeting, and about it Samsung SDI denied this fact. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

CPT revealed that the current sales quantity increased and requested to SDI not to expand market share by suggesting a low price. If not so, all manufacturers will decrease the sales price henceforward in order to maintain market share and then such vicious circle will damage market severely. SDI argued and protected itself that it did not suggest a low price to new customers and now is transacting business with Philips/AOC of only 19" flat and do not have relationship absolutely to the product of other size.

Two manufacturers(Samsung, LPD) were urged to lead to protect the price decrease and to adjust the price of each company.

(Evidence Sogap Number 3-109)

□ Multi-party meeting on Oct. 15, 2001

189 The defendants checked the plan of line operation stop of the production facility("shutdown plan") of each company in the whole world and agreed with the price guideline of 14", 15", 17", 19" CDT, after exchanging of information such as the increase or decrease of sales-production quantity. This is confirmed by the 'business diary' of \* \* Lee of Samsung SDI.

**Shutdown plan**

SDI – 2<sup>nd</sup> stage Suwon - #1 O.K. Malaysia - #4 not yet - 3<sup>rd</sup> stage: Pusan #5 scheduled

LPD – 3<sup>rd</sup> stage O.K. → Lebring & Hwafei – 1 line stop

Orion: Time is necessary for 3<sup>rd</sup> stage

CPT: FOLLOWED THE SKDL

**Price guideline**

14" \$42 15" \$43-45 17" \$58 Flat \$68 19" FST<sup>35</sup> \$85 (Evidence Sogap Number 4-41)

□ Multi-party meeting on Oct. 23, 2001

190 According to the sales price increase of TFT-LCD that is the replacement product of CDT, the defendants judged it for the opportunity of price increase and agreed to increase the CDT price with 10 dollars for Oct., 15 dollars for Nov., 5 dollars for Dec. the same year respectively. Additionally, they raised objection to the thing that Samsung SDI expands market share and takes other participants' order quantity by leaving from the agreed price and supplying with a low price in the time of transaction with Samsung Electronics. About to this, Samsung SDI suggested a specific numerical value and denied the fact that secured the order with a low price.

191 Additionally, it is confirmed that the defendants decided the price that is supplied to main customer with a certain rate (2.5 ~ 4%) of low level than the agreed price, and it is possible to know that the price is to be changed connecting with the agreed price. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

The part that was reached to a common agreement was to increase \$10 on Oct. 1 and to increase \$15 on Nov. and to increase \$5 again on Dec.

(Evidence Sogap Number 3-110)

**The information that CPT raised objection was that Samsung occupied a high market share in a downward market by doing a supportive internal transaction with a low price, and especially tries to secure the order of Taiwanese company with a low price.** SDI refuted it strongly by saying that its own company is not securing the order with a low price but rather losing market share to Taiwanese company is a fact.

**SDI revealed about the internal transaction of group that it was implemented at the level of 3% low than market price,** and CPT also revealed that discount rate is 3%. LG discounted 4%, and PH expanded the discount rate from 1% to 2.5%. (Evidence Sogap Number 3-110)

192 And, Samsung SDI informed the price of 17", 19" CDT that is to be applied henceforward to the participants and urged to refrain from the price decrease competition even though losing order, and about this, the participants decided to grope a method that can stop competition.

<sup>35</sup> FST is the abbreviation of Full Square Tube, and means a product that the corner part of Braun tube display is not round but square.

With relevance to the selecting standard of supply line of CDT customer, it is possible to know that the transaction relationship is maintained in the case that the price gap among suppliers is feeble but it can be changed anytime to the lowest supplier in the case that the price gap among suppliers is big. This is confirmed by the "visit report" of Chunghwa Picture Tubes.

He requested to all companies to devise a method to improve the current condition and to stop improper competition. LPD agreed and...

**SDI revealed to maintain market with the following price. 17": \$55-57, RF: \$66-68, 19": \$85-88.** Additionally, SDI urged, in order to avoid a situation that is to be fighting each other by customers, to three manufacturers **to agree to a thing that instructs a prohibition of price decrease for obtaining order even though losing order.**

(Evidence Sogap Number 3-110)

Visited AOC after the meeting. The employee of AOC said with laugh that if the gap of price is small we can purchase CPT tube more but **if the gap of price is big we of course will purchase from the place that offers the lowest price.** Which executive in charge of purchase is not looking for the lowest price and is to waste money intentionally! Chen Wei of Compal, not giving any commitment, revealed that **every assignment should be done according to the price.**

(Evidence Sogap Number 3-110)

□ Multi-party meeting on Dec. 17, 2001

193 It is possible to know that the defendants sympathized on the thing that CDT market is to be deprived by LCD and agreed to increase the price with a joint action among CDT manufacturers, and the guideline of 15", 17", 19" CDT that are to be applied henceforward is listed in the business diary of \* \* Lee of Samsung SDI, and discussions ('internal price increase') to the price increase of internal transaction is also listed in it. This is confirmed by the "visit report" of Chunghwa Picture Tubes and the information of business diary of \* \* Lee of Samsung SDI.

The price increase of CDT will accelerate the CDT replacement by LCD, and it may be difficult to acquire it. CPT pointed out the fact that there will always be a lack of time without immediate action and said that the price of the LCD had increased 30 dollars and the CDT plants suffered loss with production.

(Evidence Sogap Number 3-111)

LPD

-Internal: Price increase of 60% for Philips, 95% LG monitor on Dec. 27

Response to price increase: The price increase depends on our response.

**Price guideline**

	Market	New guideline
15"	41-42	44
17"	56-57	58
17" Flat	64-65	67
19"	82-84	85
19" Flat	98	100

**Internal price increase**

(Evidence Sogap Number 4-42)

□ Multi-party meeting on Dec. 28, 2001

195 In the meeting, the defendants sympathized to the point that the price should be increased according to the price increase of LCD that is the substitutes of CDT, and discussed to the time of price increase. They discussed the price increase to the internal transaction line and agreed also to the level of price application. To put it concretely, LPD informed the fact that notified the price increase to Philips to other participants, and Samsung SDI revealed the plan to increase the supply price for Samsung Electronics in the case that other member companies agree to the price increase. Searching it concretely, the unit price of transaction within group was agreed to decide at the level that is discounted 2.5% than the agreed price, and agreed to the price difference of tube kinds and terms of payment in order to make the agreement of price increase to be performed effectively. This is confirmed by the "visit report" made by Ling-Yun Cheng of Chunghwa Picture Tubes.

The price of LCD increased with 3 times since Oct. and it is scheduled to be increased \$10 additionally on the next month. There must be an opportunity to increase the price during the market condition of CDT is in the state of sustainability still. Besides, because newspapers in Taiwan had already reported to the schedule of price increase of CDT, if failed to increase the price this time, the weak point of CDT manufacturers is to be revealed, and finally the wind of sales price decrease is to blow once more.

(Evidence Sogap Number 3-112)